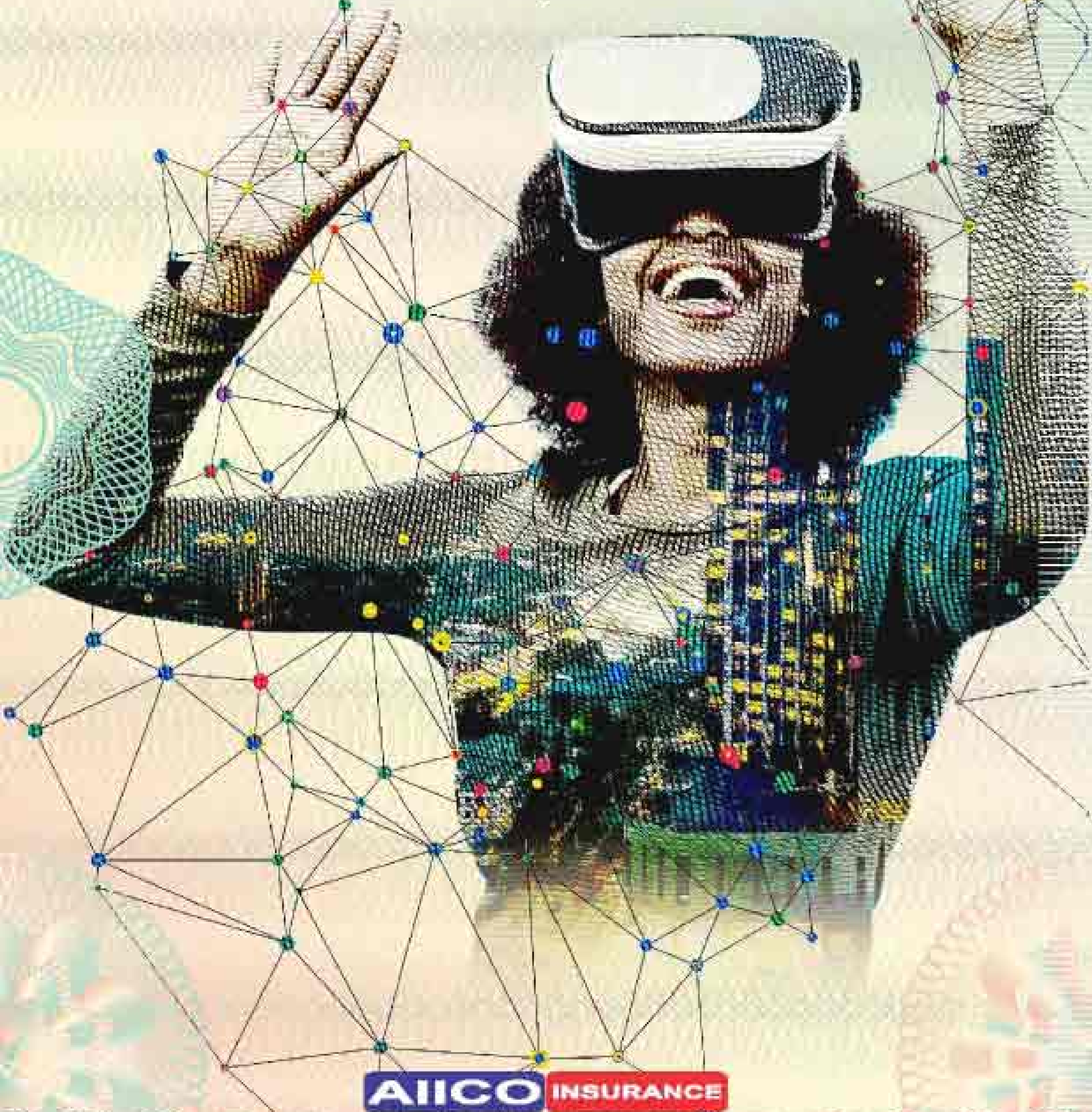
Facing the Future Together

2021 Annual Report + Accounts



AIICO INSURANCE
AMERICAN INTERNATIONAL

About Our Report

Facing the future together.

Our purpose is to face the future together with our customer, by improving their lives, build a better society for the long term and also create value for shareholders.

However, we intend to deplore high level of technology in all facets of our business operations.

Financial Index

Gross Premium Income
N70.655bn

Gross Premiums Written
N71.65bn

Total Asset
N222.380bn

Net Premium Income
N58.521bn

Profit Before Tax (PBT)
N2.807bn

Shareholders' Funds
N38.028bn

Total Equity
N38.374bn

Profit After Tax (PAT)
N4.92bn

Basic Earnings Per Share(Kobo)
13k

Diluted Earnings Per Share(Kobo)
13k

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Business Review

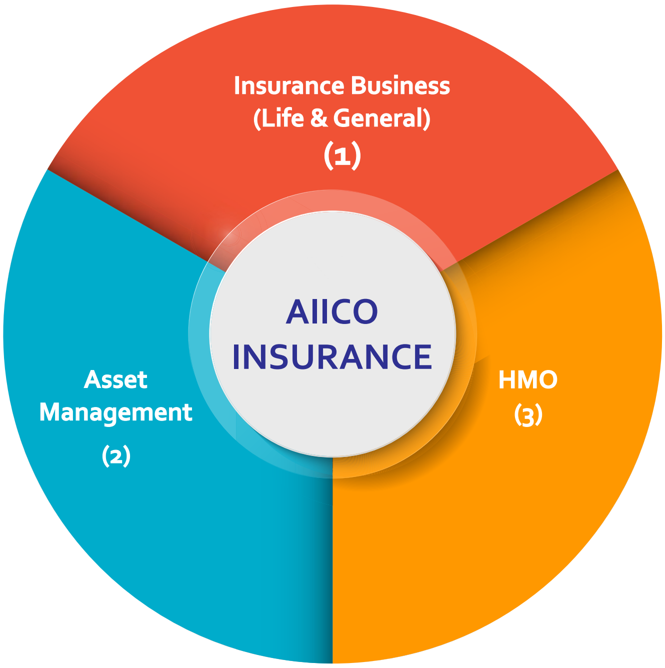
Established in 1963, AIICO Insurance Plc (NSE Ticker "AIICO") is an Insurance, Pension, Health and Asset Management Group in Nigeria with market-leading positions in its key business lines

AIICO commenced operations in Nigeria in 1963 as an Agency of American Life Insurance Company ("ALICO") - a subsidiary of American International Group (AIG) at that time.

The company was incorporated, registered and licensed in Nigeria as American Life Insurance Company Limited as a wholly-owned subsidiary of ALICO/AIG in 1970 to offer Life, Pension products and Insurance services. It was later renamed American International Insurance Company Limited (AIICO) upon the acquisition of a 60% stake by the Federal Government of Nigeria, and later listed on the Nigerian Stock Exchange in 1990, after which shareholders divested.

Following the consolidation of the insurance industry in 2007, the company acquired NFI Insurance Plc. and Lamda Insurance Company Limited (both cumulatively accounting for less than 30% of AIICO's pre-acquisition gross premiums). The company subsequently recertified as both General Insurance and Life Assurance Company, taking advantage of its legacy, brand, franchise and strong retail distribution network to grow a leading General Insurance business.

To take advantage of the opportunities presented by the Pension Reform Act of 2004, AIICO Pension Managers Limited (APML) was incorporated in February 2005 and licensed in April 2006 as a Pension Fund Administrator (PFA) by the National Pension Commission (PenCom), and commenced operations in May 2006. AIICO also owns valuable financial and strategic assets including a controlling stake in AIICO Multishield Limited and a 19% stake in Healthcare International Limited, both Health Maintenance Organizations (HMOs), and AIICO Capital Limited, an asset management wholly-owned subsidiary.



CORPORATE STRUCTURE

1. Life and General Insurance are strategic businesses units/divisions within AIICO
2. AIICO Capital - a 90% owned subsidiary of AIICO providing asset management services for AIICO and 3rd parties
3. AIICO owns ca.76.10% of AIICO Multishield Limited -a Health Maintenance Organisation operating in Nigeria

Notice of 52nd Annual General Meeting

NOTICE IS HEREBY GIVEN that the 52nd Annual General Meeting ("Meeting") of AIICO Insurance Plc **(the "Company")** will be held on **Friday May 27, 2022** at Radisson Blu Hotel, 38-40 Isaac John Street, Ikeja, Lagos State at 12.00pm to transact the following business:

Ordinary Business

1. To lay before the Meeting the report of the Directors, Statement of Financial Position as at December 31, 2021 together with the Statement of Profit or Loss and Other Comprehensive Income for the year ended on that date and the reports of the Auditors and the Audit Committee thereon.

2. To declare "a dividend of 2 kobo per share amounting to N732,105,520.00 [subject to withholding tax] be and is hereby declared in respect of and out of the profit after taxation for the year ended 31st December 2021, payable to those shareholders whose names appear on the Register of members at the close of business on the 20th May 2022.

3. To re-elect directors retiring by rotation.

4. To authorize the directors to fix the remuneration of the auditors.

5. To disclose the remuneration of Managers

6. To elect members of the Statutory Audit Committee.

Special Business

7. To consider and if thought fit pass the following as Special Resolution

(i) That the shareholders hereby approve, subject to all regulatory compliance, the cancellation of the total outstanding shares of 994,723,988 of 50k each remaining un - issued in the capital of the company out of the authorized shares standing at 37,600,000,000 in line with extant laws.

(ii) The authorized and issued share capital of the company is 36,605,276,012 (thirty-six billion, six hundred and five million, two hundred and seventy-six thousand and twelve) ordinary shares of 50 kobo each.

(iii) The Memorandum of association of the company be amended by the insertion of the following at the end of paragraph 5 of the memorandum of company:

"By a Special Resolution of the Company passed at the Annual General Meeting of the Company held on the 27th day of May 2022, the authorised share capital of the company is 36,605,276,012 (thirty-six billion, six hundred and five million, two hundred and seventy-six thousand and twelve) ordinary shares of 50 kobo each".

(iv) That the Board be and is hereby authorized to take all necessary steps to give effect to the resolutions

Dated this 8th day of April, 2022

BY ORDER OF THE BOARD

Donald Kanu
Company Secretary

NOTES:

(i) Compliance with Covid-19 Related Directives and Guidelines

Shareholders should NOTE that all existing regulations and protocols as issued by the Federal Government of Nigeria, through the Nigeria Centre for Disease Control and other regulatory authorities as regards meetings and gatherings of large number of persons would be strictly observed. Shareholders shall be strictly required to adhere to these regulations.

(ii) Proxies

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead. A blank proxy form is enclosed and if intended to be used, the form should be returned to the Company Secretary/Registrar not later than forty-eight hours (48 hours) before the Meeting. A form of proxy is attached to the last page of this report and may also be downloaded from the Company's website www.aiicoplc.com

The Company has made arrangements at its cost for the stamping of the duly completed proxy forms submitted to the Company's Registrars within the stipulated time.

(iii) Attendance by Proxy

In line with the Corporate Affairs Commission Guidelines on Holding of Annual General Meetings of Public Companies using Proxies issued on March 26, 2020, attendance of the Meeting shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

1.	Mr. Kundan Sainani	-	Chairman
2.	Mr. Babatunde Fajemirokun	-	Managing Director/CEO
3.	Mr. Donald Kanu	-	Company Secretary
4.	Mr. Lawrence Oguntade	-	Shareholders' representative
5.	Mrs. Bisi Bakare	-	Shareholders' representative
6.	Mr. Chibuzor Eke	-	Shareholders' representative
7.	Mrs. E.O. Obideyi	-	Shareholders' representative
8.	Mr. Mathew Akinlade	-	Shareholders' representative

(iv) Live Streaming of the Meeting

The Meeting will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the Meeting online live streaming will be made available on the Company's website at www.aiicoplc.com.

(v) Closure of Register of Members

Notice is hereby given that the register of members and transfer books of the Company will be closed from May 23, 2022 to May 27, 2022 (both dates inclusive) for updating the register.

(vi). Unclaimed Dividend Warrants

Some dividend warrants have remained unclaimed or are yet to be presented for payment or need revalidation. Affected Shareholders are advised to contact the Registrar, Coronation Registrars Limited, Plot 009 Amodu Ojikutu Street, Off Bishop Oluwole Street, Victoria Island, P.M.B 12753, Lagos.

(vii). Dividend Payment

If the proposed dividend of 2kobo per ordinary share as recommended by the Directors is approved by members at the AGM, e-dividends will be paid to Shareholders' accounts in accordance with the directive of the SEC on Monday, 30th May 2022 to the Shareholders whose names appear in the Register of Members at the close of business on the Friday, 20th May 2022

(viii). Audit Committee

In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020 any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting. Section 404 (5) of the Companies and Allied Matters Act 2020 provides that all the members of the Audit Committee shall be financially literate and at least one (1) member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. The Code of Corporate Governance issued by the Financial Reporting Council of Nigeria also provides that members of the Audit Committee should be financially literate and able to read and interpret financial statements. Consequently, detailed curriculum vitae containing the nominee's qualification should be submitted with each nomination.

(ix). Biographical Details Of Directors

Biographical details of Directors standing Re-Election are contained in the Annual Report and Accounts

(x). Website

A copy of this notice and other information relating to the meeting can be found at http://www.aiicoplc.com

(xi). E-Annual Report

The electronic version of this annual report (e-annual report) can be downloaded from the Company's website www.aiicoplc.com. The e-annual report will be emailed to all Shareholders who have provided their email addresses to the Registrars. Shareholders who wish to receive the e-annual report are kindly requested to send an email to info@coronationregistrars.com

(xii). Rights of Securities' Holders to ask Questions

Securities' Holders have rights to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before 48 hours before the meet.

Corporate Information

Directors	Mr. Kundan Sainani (Indian)	Chairman
	Mr. Babatunde Fajemirokun	MD/CEO
	Mr. Olusola Ajayi***	Executive Director
	Mr. Adewale Kadri	Executive Director
	Mr. Samaila Zubairu	Director/Independent
	Mr. Ademola Adebise	Director
	Mrs. Oluwafolakemi Edun (Nee Fajemirokun)	Director
	Mr. Olalekan Akinyanmi	Director
	Raimund Snyders (South African)	Director
	***Resigned effectively on the 7th of January2022	

Company Secretary	Mr. Donald Kanu AIICO Insurance Plc AIICO Plaza Plot PC 12, Churchgate Street, Victoria Island, Lagos
Registered Office	AIICO Plaza Plot PC 12, Churchgate Street, Victoria Island, Lagos
RC. No	7340
TIN	00401332-0001
Corporate Head Office	AIICO Plaza Plot PC 12, Churchgate Street, Victoria Island, Lagos Tel: +234 01 2792930-59 0700AIIContact (0700 2442 6682 28) Fax: +234 01 2799800 Website:www.aiicoplc.com Email: aiicontact@aiicoplc.com
Reinsurers	Africa Reinsurance Corporation Continental Reinsurance Plc Swiss Reinsurance WAICA Reinsurance Nigerian Reinsurance Trust Reinsurance Zep Reinsurance Arig Reinsurance Aveni Reinsurance NCA Reinsurance
Registrars	Coronation Registrars (Formerly United Securities Limited) 009, Amodu Ojikutu Street, Off Bishop Oluwole Street Victoria Island P.M.B. 12753 Lagos
Independent Auditors	Ernst & Young 10th & 13th Floor, UBA House 57, Marina Road, Lagos Island, Lagos website: www.ey.com/ng
Regulatory Authority	National Insurance Commission (NAICOM)
Bankers	Access Bank Plc Ecobank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Stanbic IBTC Bank Standard Chartered Bank Nigeria Limited Union Bank of Nigeria Plc United Bank of Africa Plc Wema Bank Plc
Estate Surveyor	Niyi Fatokun & Co. FRCN: FRC/2019/00000012894 Partner Niyi Fatokun FRCN (Chartered Surveyors & Valuer) FRC/2013/NIESV/70000000/1217
Actuary	Zamara Consulting Actuaries Nigeria Limited FRC/2017/NAS/00000016912

Corporate Head Office AIICO Plaza, Plot PC 12, Churchgate Street, Victoria Island, Lagos

Tel: 01 279 2930

Aba
7 Factory Road, Aba, Abia State.

Tel: 08055314351

Abuja
44, Durban Street, Off Ademola Adetokunbo Crescent, Wuse II, FCT, Abuja, Nigeria.

Tel: 08099930094, 08034644826

Akure
Tisco House, 3rd Floor, Opposite Mr. Biggs Outlet, Ado-Owo Road, Akure, Ondo State.

Tel: 08056065568, 07035649969

Amuwo
Plot 203 Festac Link Road, Amuwo Odofin, Lagos State.

Tel: 09090218724

Benin
28 Sokponba Road, Benin City, Edo State.

Tel: 08023580609, 08051163395, 08134051972, 08032416932

Enugu
55/59 Chime Avenue, Gbujas Plaza, New Haven, Enugu State.

Tel: 0806 371 5549

Ibadan
12 Moshood Abiola Way, beside Thermcool Showroom, Challenge Area, Ibadan, Oyo State.

Tel: 0803 574 1519, 0802 365 8317, 0802 728 9318

Ikeja
AIICO House, Plot 2, Oba Akran Avenue Opp. Dunlop Ikeja Lagos.

Tel: 08038264806

Ilorin
1 New Yidi Road, Gomola Building, Unity, Ilorin, Kwara State.

Tel: 0802 246 7206, 0817 022 3528

Ilupeju
AIICO House, 36-38 Ilupeju Industrial Avenue, Ilupeju, Lagos State.

Tel: 08160466239, 08033158714, 08033343036

Isolo
203/205 Oshodi/Apapa Expressway, Isolo, Lagos State.

Tel:08057176063, 08023054803, 08036803169, 08023090069

Jos
4 Beach Road, Jos, Plateau State.

Tel: 08033282241, 08035951258, 08025474092

Kaduna
Yaman Phone House, 1 Constitution Road, Opposite MTD, Kaduna, Kaduna State

Tel: 08033386968

Kano
8, Post Office Road, Kano, Kano State.

Tel : 0803 626 6874, 0806 593 4787.

Lekki
Gamet Plaza Lekki Ajah Express Way Agungi Lekki Lagos State

Onitsha
Noclink Plaza, 41 New Market Road, Opposite UBA Bank, Onitsha, Anambra State.

Tel: 07032733505

Owerri
46 Wetheral Road, Owerri, Imo State.

Tel: 08053305511

Port Harcourt
11 Ezimgbu Link Road (Mummy B Road), off Stadium Road, GRA Phase IV, Port Harcourt, Rivers State.

Tel: 08035490546
08035490546, 08083134875, 09094489393

Uyo
164, Ikot Ekpene Ekpene Road Uyo Akwa Ibom State

Warri
No 60, Effurun/Sapele road Warri, Delta State

Tel: 08187497490

RETAIL OUTLETS

AIICO EXPRESS, Abuja
Plot 1083,
Mohammadu Buhari Way, beside Sterling Plaza, Central Business Area, Abuja.

Tel: 08169011819

AIICO EXPRESS,
Churchgate, Victoria Island
Opposite Churchgate Towers, Victoria Island, Lagos.

Tel: 08129123143, 07087955065

AIICO EXPRESS, Lekki
Ikate Community, Opposite Manor House, Ikate, Lekki, Lagos.

Tel: 08129123143, 07013184117

Brand Platform

Our Vision

To be the dominant insurer in Sub Saharan Africa, built on deep understanding of customer needs and world-class digital experience.

Our Mission

To create the most compelling customer experience by offering best fit products to drive wholesome peace of mind, through a dynamic, highly motivated workforce and innovative technology.

Our Core Values

- Service Excellence
- Trust
- Team Spirit
- Entrepreneurship
- Professionalism

Results at a Glance - The Group
Profit or Loss and Other Comprehensive Income

In thousands of naira	2021	2020	Increase/ (decrease) Changes	Increase/ (decrease) %
Gross premium written	71,646,427	61,979,667	9,666,760	16
Gross premium income	70,655,049	60,680,800	9,974,249	16
Net premium income	58,521,828	52,779,760	5,742,068	11
Claim expenses (net)	(39,914,664)	(31,656,713)	8,257,951	26
Underwriting profit/(loss)	30,344,854	(36,272,055)	66,616,909	184
Investment and other (loss)/income	(16,577,034)	52,508,374	(69,085,408)	(132)
Other expenses	(21,504,781)	(3,829,691)	(17,675,090)	462
Profit before income tax expense	2,807,000	4,632,074	(1,825,074)	(39)
Profit after tax from discontinued operations	2,366,914	269,490	2,097,424	778
Profit for the year	4,916,009	5,249,825	(333,816)	(6)
Total other comprehensive loss	(1,332,802)	(2,701,346)	1,368,544	51
Total comprehensive income for the year	3,583,207	2,548,480	1,034,726	41
Basic and diluted earnings per share (kobo)	13	14		

Financial Position

In thousands of naira	31-Dec-2021	31-Dec-2020	Changes	%
Cash and cash equivalents	25,490,105	31,913,335	(6,423,231)	(20)
Financial assets	172,501,020	188,342,047	(15,841,027)	(8)
Trade receivables	728,518	937,078	(208,560)	(22)
Reinsurance assets	10,387,924	7,496,395	2,891,529	39
Deferred acquisition costs	739,223	582,265	156,958	27
Other receivables and prepayments	2,411,790	2,404,884	6,905	0
Assets classified as held for sale	-	2,237,780	(2,237,780)	(100)
Right of use assets	105,855	21,987	83,868	
Deferred tax assets	1,252	6,168	(4,916)	(80)
Investment in associate	705,629	-	705,629	100
Investment properties	806,000	758,000	48,000	6
Goodwill and other intangible assets	934,748	889,082	45,666	5
Property and equipment	7,068,787	7,009,404	59,384	1
Statutory deposits	500,000	500,000	-	-
Total assets	**222,380,849**	**243,098,424**	**(20,717,574)**	**(9)**
Insurance contract liabilities	119,776,331	136,078,388	(16,302,057)	(12)
Investment contract liabilities	22,829,871	21,835,376	994,495	5
Trade payables	3,779,049	2,020,724	1,758,325	87
Other payables and accruals	3,700,219	4,774,609	(1,074,390)	(23)
Fixed income liabilities	33,506,178	43,046,848	(9,540,670)	(22)
Current income tax payable	407,282	358,099	49,183	14
Liabilities attributable to assets held for sale	-	316,462	316,462	100
Deferred tax liabilities	7,666	8,837	1,171	13
Total liabilities	**184,006,596**	**208,439,343**	**(23,797,481)**	**(11)**
Issued share capital	18,302,638	7,843,988	10,458,650	133
Share premium	64,745	7,037,181	(6,972,436)	(99)
Revaluation reserve	1,812,707	1,812,707	-	-
Fair value reserve	(1,683,037)	(507,416)	(1,175,621)	232
Foreign exchange reserve	175,600	175,600	-	-
Contingency reserve	8,304,604	7,213,594	1,091,010	15
Retained earnings	11,051,695	9,924,143	1,127,553	11
Statutory reserves of disposal assets	-	202,042	(202,042)	(100)
Shareholders' funds	**38,028,951**	**33,701,839**	**4,327,113**	**192**
Non-controlling interests	345,303	957,243	(611,940)	(64)
Total equity	**38,374,254**	**34,659,082**	**3,715,172**	**11**
Total liabilities and equity	**222,380,849**	**243,098,424**	**(20,717,574)**	**(9)**

Results at a Glance - The Company

Profit or loss and other comprehensive income

In thousands of naira	2021	2020	Increase/ (Decrease) Changes	Increase/ (Decrease) %
Gross premium written	71,001,519	61,318,398	9,683,121	16
Gross premium income	70,009,673	60,038,913	9,970,760	17
Net premium income	57,876,452	52,137,873	5,738,579	11
Claim expenses (net)	(39,397,775)	31,211,819	(70,609,594)	226
Underwriting profit/(loss)	29,970,620	(36,834,179)	66,804,799	181
Investment and other income (loss)/ Income	(18,119,608)	50,650,982	(68,770,590)	(136)
Other expenses	(20,296,776)	(1,707,472)	(18,589,305)	(1089)
Profit before income tax expense	2,081,778	4,375,726	(2,293,949)	(52)
Profit from discontinued operations	3,007,434	-	3,007,434	100
Profit for the year	4,968,664	4,764,596	204,068	4
Other comprehensive loss	(663,750)	(1,542,113)	878,363	57
Total comprehensive income for the year	4,304,914	3,222,482	1,082,432	34
Basic and diluted earnings per share (kobo)	14	42		

Financial Position

In thousands of naira	31-Dec-21	31-Dec-20	Changes	%
Cash and cash equivalents	9,062,962	9,279,385	(216,423)	(2)
Financial assets	152,718,223	166,074,396	(13,356,173)	(8)
Trade receivables	689,375	897,596	(208,221)	(23)
Reinsurance assets	10,387,924	7,496,395	2,891,529	39
Deferred acquisition costs	739,223	582,265	156,958	27
Other receivables and prepayments	2,140,480	704,275	1,436,205	204
Assets classified as held for sale	-	1,365,042	(1,365,042)	100
Right of use assets	105,855	21,987	83,868	381
Investment in subsidiaries	1,087,317	1,087,317	-	0
Investments in associate	705,691	-	705,691	100
Investment properties	806,000	758,000	48,000	6
Goodwill and other intangible assets	838,252	862,379	(24,127)	(3)
Property and equipment	6,847,439	6,705,570	141,869	2
Statutory deposits	500,000	500,000	-	-
Total assets	**186,628,741**	**196,334,608**	**(9,705,868)**	**(5)**
Insurance contract liabilities	119,565,299	135,856,973	16,291,674	12
Investment contract liabilities	22,829,871	21,835,376	(994,495)	(5)
Trade payables	3,748,134	1,963,893	(1,784,241)	(91)
Other payables and accruals	3,394,547	3,892,160	497,613	13
Current income tax payable	307,392	307,621	228	0
Total liabilities	**149,845,243**	**163,856,023**	**14,010,780**	**9**
Issued share capital	18,302,638	7,843,988	10,458,650	133
Share premium	64,745	7,037,181	(6,972,436)	(99)
Revaluation reserve	1,812,707	1,812,707	-	-
Fair value reserve	(1,016,727)	(438,586)	(578,141)	132
Foreign exchange reserve	175,600	175,600	-	-
Contingency reserve	**8,304,604**	**7,213,594**	**1,091,009**	**15**
Retained earnings	9,139,931	8,834,100	305,831	3
Shareholders' funds	**36,783,498**	**32,478,584**	**4,304,913**	**185**
Total liabilities and equity	**186,628,741**	**196,334,608**	**(9,705,867)**	**(5)**

Corporate Governance

Corporate Governance

Rising above The Tide:
Sustaining growth through strategic resilience

Chairman's statement to Shareholders.

To the Shareholders of AIICO Insurance PLC:

As the custodians of your investments in AIICO, the Board understands the gravity of the responsibility we have to you and are honored by your trust.

These yearly statements give us the opportunity to provide some insights into the progress made by your Company and its financial performance, and to inform you of how the Board's actions further your interests.

Kundan Sainani
Chairman

CHAIRMAN'S STATEMENT

Over the past year, AIICO took steps to increase the frequency of its communications with Shareholders due to the relatively complicated nature of the business and the need for Shareholders to hear first-hand how AIICO performs on a quarterly basis. These engagements provide insights that are important for Shareholders and investors to know and to paint a clear picture of Company's operations and strategy. It is an opportunity for AIICO to both control its own narrative and receive feedback from the investing community; and it is one that AIICO's managers have come to appreciate.

The context within which AIICO operates is volatile and uncertain - interest rates and exchange rates continue to fluctuate while inflation has remained elevated. These risks have both exogenous and endogenous effects - in terms of how customers relate with AIICO. Factors like inflation and high exchange rates reduce consumer income and, by extension, the propensity to pay for products. Internally, changes in these factors have a material impact on AIICO's reported financial performance.

Despite these conditions, gross premiums and Shareholders' value has continued to grow year-on-year, a testament to the Board's decisions on how capital is allocated, both at a business unit level and the Group level. Key highlights of AIICO's performance include:

- a 15.6% increase in gross premiums written across the group to ₦71.6 billion from ₦62.0 billion in 2020.
- a 10.7% increase in total shareholders' equity to ₦38.4 billion from ₦34.7 billion in 2020.

Group Strategy

AIICO's overall corporate strategy determines which market it chooses to participate in. Those choices are informed by the attractiveness of the markets being considered and AIICO's assessment of its ability to generate returns above the cost of capital, its competitive advantage. AIICO remains bullish about the prospects in the insurance marketplace in Nigeria and beyond, given very low penetration of insurance in the country. AIICO also believes it possesses the ability to generate profits, due to its investments in distribution, technology, people, and risk management capabilities. These beliefs are confirmed by the increased gross premium written year-on-year.
Though profits, at ₦4.9 billion, were marginally lower than the prior year's ₦5.2 billion, we are excited about the building blocks for improved performance in coming periods.

- Capital allocation continues to be a source of strength for AIICO with subsidiaries steadily generating profits and contributing meaningfully to continuing operations. The managers' ability to determine which markets to participate in and the ability to exit markets at favorable valuations have contributed significantly to Shareholders' value in 2021. AIICO's partial divestment of its pension's operation generated a profit of ca. ₦2.4 billion. The full divestment from the pension business occurred in the first quarter of 2022.
- AIICO's investments in distribution and technology have supported growth in customer acquisition.
- Investments in risk management, especially Asset-Liability Management, are starting to reap dividends. We expect to see steadier underwriting margins, especially in the life business, going into the future.

With respect to areas where we see room for improvement, while insurance and investment operations are complementary, AIICO's profits are more predictable when insurance operations are less volatile. In 2021, underwriting performance in the corporate business declined compared to 2020. Reported investment and trading income also declined as yields rose during the year, leading to reported losses in both group life and non-life business lines. AIICO has revised its pricing for some of its policies to be more reflective of risks assumed while limiting participation in others, where this was not possible. The Board expects to see improvement on this going forward.

Distributions to Shareholders

Every year, AIICO's managers must decide how best to allocate capital. There are typically three choices:

- Capital expenditure and operations in existing markets
- Invest in new markets
- Return cash to shareholders

They make these choices with AIICO's solvency requirements, both regulatory capital and economic capital, in mind. In 2021, AIICO announced a bonus of 12 shares for every 9 shares held, (equivalent to a scrip dividend of 67 kobo per share) to Shareholders. This was to comply with new NAICOM capital requirements, and it was equivalent to a dividend yield of 59.0%, significantly above the total return on the NGX Exchange of about 10.7%. The total return to AIICO Shareholders in 2021 was c. 20.9.%.

In deciding whether to distribute a cash dividend based on 2021 performance, the Board and Management had to weigh these competing demands on our finite resources and has recommended a dividend of 2 kobo per share.

Changes to the Board and Management

One of the most important choices facing us often come down to those we make about the managers who generate returns on your capital. In 2021, the erstwhile Head of Retail Business across the Group and Executive Director, Sola Ajayi, announced his resignation to pursue other interests. Mr. Ajayi spent over a decade at AIICO and played an active role in putting AIICO

Chairman's Statement

Insurance back on the path to growth and profitability throughout this time. On behalf of the Board, I thank him for his years of service to AIICO.

Our responsibility to society

Over the last few years, the Board has invested in Environmental, Social, and Governance (ESG) programs specifically focused on diversity and representation. AIICO has partnered with the International Finance Corporation on Nigeria2Equal, a program that aims to reduce gender gaps across employment and entrepreneurship in Nigeria's private sector, and has made firm commitments in three areas:

- To promote women's leadership and employment
- To promote women's entrepreneurship
- Advocacy and championship

The Board currently tracks these commitments and will provide updates in the Corporate Social Responsibility section of the Annual Report. We expect that the impact of these commitments will grow positively over time.

What the future holds

When I look ahead, I do so with a mixture of optimism and pragmatism.

The amount of political and economic uncertainty around the world calls for pragmatism; estimates of growth in the world economy are moderate - the International Monetary Fund expects growth in 2022 to moderate to 4.4% from 5.9% in 2021. The ongoing war in Ukraine and disruptions across Europe do not help these estimates.

The operating environment remains challenging with estimates of economic growth in Nigeria at a maximum of 4.0%, just over population growth. Politically, the country will enter a period of jostling to determine candidates for the general elections in 2023. Traditionally, these periods tend to lead to economically bearish sentiments. Macro indices such as inflation are expected to remain in the double digits in the near future.

However, the Nigerian insurance market remains significantly underpenetrated and new players continue to establish a presence in the industry. The potential for insurance in Nigeria is significant - we are barely scratching the surface of the opportunity today.

High interest rates present an opportunity to invest at favorable yields and economic uncertainty is leading consumers to find innovative ways to hedge against these risks. In terms of AIICO's readiness to take advantage of these opportunities, my assessment as the Chairman of the Board is that AIICO is well positioned. AIICO's business is risk management; hence, investments have been made to understand risks that other companies do not want to take. In addition, AIICO is adequately capitalized to ensure that it can comfortably assume the risks that its customers want to transfer.
A more intriguing prospect is that of international expansion - as usual, the decision will be made after a clear-eyed analysis of the attractiveness of the markets we consider as well as the Company's assessment of its ability to generate risk-adjusted profits in those markets.

Last year, I mentioned that IFRS 17 would become the standard governing the recognition, measurement, and disclosure of insurance contracts. AIICO's managers expect that from 2023, insurance financial statements will look very different from what you have been used to. We believe that this is a positive development, however - for companies like ours where reported profits do not always reflect actual performance due to the very long-term nature of some insurance contracts, IFRS 17 will provide a more holistic view of how AIICO is performing and reflect the value of future profits that current accounting standards do not currently account for.

Many of our Shareholders have been on this journey with AIICO for years, if not decades and I am only one in the long line of custodians of this great Company. For the privilege of representing your interests, I say thank you once again. It is a responsibility that I take very seriously.

To the Management team, thank you for your efforts and our confidence in you remains high with regards to your ability to deliver continued value to Shareholders. With this, I welcome you to AIICO's 52nd Annual General Meeting.

Mr. Kundan Sainani
Chairman
FRC/2013/IODN/00000003622

Corporate Responsibility & Sustainability Policy

1.0 Policy Purpose

Our Corporate Responsibility & Sustainability (CR&S) initiatives shall be based on creating awareness for our insurance products by taking key steps to entrench the AIICO brand in the minds of the generality of our target populace. This will be achieved by promoting our brand through initiatives in education, sports, health, volunteering, and community events.

We exist to help our customers protect what is important to them, therefore, it is important to us to continuously improve our processes for their benefit.

Our company's social responsibility falls under two categories -Proactiveness and Compliance. We shall drive compliance through the company's commitment to legality and willingness to observe community (shareholders, our employees, our clients, our partners, our neighbours and our community) values. We shall ensure proactiveness through the deployment of every initiative that will aid or enhance our communities and protect our social environment.

Our company's sustainability agenda covers the areas of community, employees, environment and governance. We aim to make positive impacts on the above-mentioned areas through some of the activities and initiatives that will be mentioned in this policy.

2.0 Policy Statement

Our Corporate Responsibility & Sustainability (CR&S) policy is centred on the principle that our company's existence is part of a bigger system of people, values, the economy, our partners, other organisations and the environment.
We are committed to ensuring that we never lose track of our responsibility as an organisation to all our stakeholders and the public as we strive to continually be that responsible business that meets the highest standards of ethics and professionalism - this is at the core of our approach to corporate responsibility and sustainability.

Our approach is founded on four pillars, where we believe we can make a difference for our *customers, communities, our employees* and effect good *governance* practices throughout the organisation.

We understand that we operate in a global village, and as such we understand that we must conform to global best practices and international standards to address world issues. We are therefore focused on playing our role in contributing to the UN's Sustainable Development Goals (SDGs), The UNEP-FI Principles for Sustainable Insurance (PSI) and The Nigerian Stock Exchange (NSE) Sustainability Disclosure Guidelines. We ensured that all our Sustainability programmes, initiatives and activities align with these goals. We are therefore partnering and looking to partner with various organisations, sustainability professionals and NGOs to support our efforts in contributing to global development by making impactful change and worthwhile contributions to developing our communities.

3.0 Policy Scope

This policy covers all CR&S activities within AIICO Insurance Plc.

3.1 Our Commitments
At AIICO, we aim to make positive impacts on society, the environment and our business through the following:

3.1.1 Meeting Commitments:

In regard to legality our company will:
1) Respect the law
2) Honour our policies and keep our word
3) Ensure that all business operations are legitimate
4) Keep every partnership and collaboration open and transparent
5) Ensure responsible and ethical business practices across our operations

3.1.2 The Community:

Our company shall preserve a budget for initiatives aimed at connecting with stakeholders to make positive contributions primarily towards public health matters and education. We will work with various groups dedicated to these causes and will produce reports which showcase some of the work we are doing around the country. Some initiatives will include:

Overview Strategic Report Corporate Governance Financial Statements Other National Disclosures

1) Advancing excellence in education, health, sports and community events
2) Alleviating the challenges of members of our community that are in need
3) Encourage employee volunteering to improve infrastructure in schools and the communities of the less-privileged

As a company focused on giving back to society through the promotion of ethical behaviour and excellence; our company shall initiate and support community investment and educational programmes geared towards:

1) Promoting insurance awareness especially to the younger generation
2) Partnering to reward excellence in tertiary institutions covering courses in Insurance and Actuarial Sciences
3) Encouraging and sponsoring sporting events

3.1.3 The Workplace:

We aim to be a place where people will love to work. Our people play a vital role in our success as a business. We promote a positive working environment that engages a diverse group of intellects, while empowering them with the right tools to excel and this is done through empowerment, training, recognition and rewards. We aim for our people to be happier and healthier despite any odds because they work for AIICO. This is being achieved through the introduction of various programs such as the Wellness Programme, the newly revamped Rewards & Recognition Initiatives, Learning Management System (LMS) - a platform that provides various training and development opportunities, allowing for our people to take charge of their own personal development, Teleworking Policy, amongst others.

We shall look to embed positive behaviours across our business by:

1) Conducting our business with integrity and respect
2) Building a culture of respect and fair dealing towards the customer
3) Encouraging anti-corruption practices
4) Protecting the environment

To our internal stakeholders, our valued employees; we shall:

5) Dedicate ourselves to protecting our people
6) Promote healthy living and safe practices
7) Support diversity and inclusion
8) Develop and upskill human capital
9) Recognize and protect their human & employee rights

3.1.4 The Environment:

Climate change is a health concern for everyone and we are dedicated to playing a more active part in promoting positive environmental practices. We will be proactive in protecting and reducing the environmental impact of the Company's operations through relevant activities like:

1) Introducing appropriate waste management processes
2) Monitoring and managing paper consumption
3) Energy and water conservation
4) Reducing waste and pollution
5) Reducing resource consumption through efficient use and prudent practices
6) Protecting and improving the natural environment through recycling
7) Incorporating environment-friendly technologies
8) Community clean up exercises

.3.1.5 Governance

Good corporate governance is key to our Sustainability agenda. Company-wide, we aim to promote best corporate governance practices amongst all stakeholders and ensure a culture which emphasizes serving the interests of our customers while enforcing strict compliance with internal controls including regulations and policies. The Board of Directors set the right tone at the top and promote the right corporate culture within the organisation. The Board and Executive Management is committed to the effective implementation and coordination of this CR&S Policy and, via the CR&S Unit and the Environmental and Social Committee which reports to it, will direct initiatives to:

1) Develop and implement a sustainable strategy

2) Ensure compliance with all relevant laws and regulations

3) Continuously improve environmental, social and economic performance and go beyond compliance to maximize social good and minimize adverse environmental impacts.

4) Promote, facilitate and integrate principles of sustainability within the different business units in the organisation

5) Lead by example in addressing the organisation's impacts on the community and the environment

6) Raise awareness and encourage action for sustainability through training and general education of employees and the wider AIICO community
7) Monitor and evaluate performance on a regular basis, using agree targets and indicators

The Environmental and Social Committee comprises of members from key units within the organisation who are key stakeholders in driving sustainability at AIICO. To ensure that sustainability is embedded and fully integrated within our operations, we have nominated sustainability champions who understand and will drive this cause within the various units of the organisation.

4.0 Corporate Responsibility & Sustainability Management Framework
The CR&S management framework consists of this policy, a strategy and annual action plans as required.

Being Intentional, Making a Difference

In the aftermath of Covid-19, the world as we know it has changed and that is why as leading insurers in Nigeria, stepping up and being a responsible corporate citizen matters now more than ever. At AIICO, we continue to align our CSR and sustainability initiatives with our overall business strategy while also adapting them to the needs that are ever so constant.

Part of our responsibilities as a corporate citizen is to contribute to the achievement of the SDGs and its implementation in Nigeria. In line with this, we will continue to design our initiatives around supporting and contributing towards achieving these goals collectively.

At AIICO, the SEMs (Social, Environmental Management Systems) which was established in 2016, remains an integral part of our risk assessment process and will continue to be in the years to come.

The Corporate Responsibility & Sustainability unit will continue to improve efficiencies in our environmental and social impacts on our business processes with particular focus on the complete integration of ESG practices in every area of our business operations. The team is dedicated to ensuring that the business is ahead of any ESG challenges that could potentially affect our ability to operate sustainably. The already established Social, Environmental Management Systems (SEMs) would be managed through this unit to ensure compliance and adherence in mitigating all risk factors associated in the businesses we deal with.

The UN Sustainable Development Goals (SDGs)

The SDGs continue to be the lighthouse that guide the path we take in handling our responsibilities as a corporate citizen effectively and with intent. We will continue to endeavour to play our role in contributing to the achievement of the SDGs and its implementation in Nigeria.

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. Progress is steadily being made in many places, however, action to meet the Goals is not yet advancing at the speed or scale required. Ambitious action needs to be taken for the goals to be delivered by the targeted deadline, 2030.

These SDG icons show the goals where AIICO Insurance most had an impact and contributed with its CSR activities in 2021.

2021 CSR initiatives implemented are represented under social, environmental and economic impacts.

Social

As a responsible insurer, investor and employer, we contribute to positive social and economic development in the market and communities in which we operate. Having the support and approval of our employees, stakeholders and the community is of great importance to us.
Our CSR initiatives have involved financial contributions to various entities, and sharing our expertise with different groups.

Education:

- Through our partnership with We Stand Nigeria, we donated funds towards the Foundation's 'Back To School' Initiative which aims to provide educational support items such as school bags, notebooks, and pens to senior secondary school students in selected public schools in Lagos State. Over 1,500 students at schools within Epe Lagos were beneficiaries of AIICO's donated items.

- Donated furniture to staff and students of Ajumoni Senior Secondary, Isolo.

- Partnered with INCSR to sponsor the Book Swap Foundation - the initiative services a reading hub for children in host communities for our operations, this aligns with our commitment to contributing towards tackling SDG 4 - Quality Education. AIICO's support has begun in Ibadan, Oyo State, with plans to establish same in other communities we operate in nationwide.

Health:

- Partnered with the Lagos State Blood Transfusion Service to commemorate World Blood Donor Day and organised a blood donation drive with 52 employees successfully donating to support the shortage of blood in health institutions.

- Commemorated Breast Cancer Awareness month, through partnering with CancerAware Nigeria and running an awareness campaign across all our social media platforms. Emphasis was laid on the importance of early detection of the disease, with the dissemination of information on where help can be sought if individuals and/or their family have any concerns regarding the disease.

Employee Wellness & Well Being:

- The health and wellbeing of our people directly impact on our business success. We aim to provide a productive and health-promoting workplace to enable our employees to prioritize health and avoid stress, while creating an acceptable work-life balance for employees. Through our Wellness & Wellbeing program, the first AIICO Wellness Week competition took place and was tagged 'AIICO Revive'. Over a 5 day period, employees got the chance to participate and compete in fitness and wellness contest.

- AIICO Fitness Exercise Programme - commenced in July. Employees were encouraged to meet up at the weekend for exercise routines which was streamed online for the benefits of those who couldn't make it in person. This was done to encourage continuous physical activity especially as employees still work from home.

Diversity & Inclusion:
At AIICO, the management is passionate about the diversity of its workforce and ensuring inclusion at all levels. Currently, there is focus on increasing the number of women attaining leadership roles within the organisation and ensuring that more women entrepreneurs are given equal access to opportunities and resources.

We have made a commitment to the IFC through the Nigeria2Equal programme to ensure that we are steady in our quest to achieve the above.

Goodwill:

- Donated a patrol vehicle to the DPO of Ilupeju Police Station-Lagos.

  Redeemed our pledge to ActionAid Nigeria to publicise the ongoing partnership and support we are giving towards their MATAI project. N100 was donated for every Retail Auto and Travel policies sold throughout the year.

- Christmas Charity drive organised in aid of the children of the Vine Heritage home. Employees were encouraged to donate used or new clothing items, shoes, toys and books to the children of the home. Employees also made cash donations

- In partnership with the Oladele Fajemirokun Foundation (OFF), AIICO sponsored the SMALINT programme which aims to provide a variety of interventions for mothers and their children over an extended period of time that suffer from malnutrition. 20 children between 0 - 5 years were fed daily for a period of six months and weekly nutrition classes were offered to the women that attend the centres. The intervention covered a couple of primary health care centres including Awoyaya Primary Healthcare Centre.

Environment

In the bid to achieve positive economic outcomes, we now look internally at the environmental impact of our business practices ensuring that minimal harm is being done both in the short and long term.

The waste management process at AIICO, will focus on processing general and e-waste through the concept of reduce (reducing paper consumption), re-use (repurposing existing waste), and recycle (sorting various materials to reduce waste that ends up in landfills).

Lagos State Tree Planting Day 2022:

- AIICO's interest in environmental preservation earned the Company government recognition and subsequent invitation to the Lagos State Tree Planting Day celebration. AIICO was among a select few joining the Deputy Governor of the State at the Muri Okunola site of the 2021 edition. 200 school bags were also donated towards the ceremony for Lagos State students.

Economic

Our role as a sustainable insurer means that we prioritise decisions that will have positive economic impact on all our stakeholders and not just our shareholders. Our community must be economically sustainable for us to thrive as a company. This is why we work to empower youth and entrepreneurs in our communities through the entrepreneurship programme as well as through nurturing the next generation of insurance professionals.

Entrepreneurial Development Programme:

- Entrepreneurship Development Programme is one of AIICO's CSR activities to contribute to nation building by empowering entrepreneurs. It was designed to bridge unemployment, poverty and increase economic growth. The aim is to help nurture and groom individuals who desire to have the freedom to pursue their own vision; become their own bosses; have a flexible lifestyle and potentials for alternate sources of income beyond their salaries.

Women Empowerment:

- International Women's Day 2021 focused on the empowerment of our female workforce and the general public which was commemorated with two webinars with over 150 participants.

Youth Development:

- The AIICO Skill Acquisition Program (AIISAP) - a program organized annually for higher institution students that are required to complete an internship year during the course of their education. These individuals are placed in various departments within the organization to acquire skills and knowledge. The internship provides real-world experience that enables these youths to put everything learned so far into action enabling them apply skills gained in future jobs. In 2021, 48 students graduated from the program.

Awards & Recognition

AIICO Insurance was awarded the CSR Reporters 2021 Philanthropic Insurance Company of the Year.

Future Trends:

We have developed a 3-year sustainability strategy to guide the development of initiatives, implementation and monitoring of all our corporate responsibility and sustainability programs and initiatives. This will enable us to be more proactive in our bid to be responsible corporate citizens.

2020 saw the commencement of plastic recycling at AIICO, we partnered with ACI Nigeria on a scheme that allowed us to use our recycled plastic waste in exchange for covering of fees for parents with children in schools in underprivileged communities. As we haven't fully returned to the premises, minimum plastic waste is currently being generated. Plastic recycling will fully resume once employees return full time to their physical locations.

The UN Sustainable Development Goals (SDGs)

At AIICO, we are committed to the United Nations mission to achieve a better and more sustainable future for all. Global challenges faced relating to poverty, inequality, climate change, environmental degradation are amongst some of the challenges we intend to make an impact in the years to come. In the next year, our focus will continue to be on making an impact with Goal 1 - ***No Poverty,*** Goal 2 - ***Zero Hunger,*** Goal 3 - ***Good health & Wellbeing,*** Goal 4 - ***Quality Education*** and Goal 8 - ***Decent work & Economic Growth;*** while including Goal 5 - ***Gender Equality,*** Goal 12 - Responsible Consumption & Production and Goal 13 - ***Climate Action*** over the next few years.

Corporate Social Responsibility 2021

Students of Epe Senior Grammar School

Cheque presentation to ActionAid Nigeria

AIICO Blood Drive 2021

International Womens Day 2021

Lagos State Tree Planting Day 2021 with Deputy Governor, Dr Obafemi Hamzat

Visit to the Vine Heritage Home, Abuja in partnership with ActionAid Nigeria

Abimbola Shobanjo and Mrs Fajemirokun on a visit to Awoyaya Primary Healthcare centre to meet some of the participants of the SMALINT programme.

A visit to Ajumoni Senior Secondary School, Isolo to donate furniture to the staff and children of the school.

Fitness Saturday Programme for AIICO Employees

Board Of Directors

Kundan Sainani
Chairman
1

Babatunde Fajemirokun
Managing Director/
Chief Executive Officer
2

Adewale Kadri
Executive Director,
Technical
3

Olusola Ajayi
Executive Director,
Group Retail Business
4

Ademola Adebise
Non-Executive Director
5

Raimund Snyders
Non-Executive Director
6

Samaila Dalhat Zubairu
Non-Executive
Director (Independent)
7

Folakemi Edun
Non-Executive Director
8

Olalekan Akinyanmi
Non-Executive Director
9


4th Mainland Bridge
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Directors' Report

For the year ended 31 December 2021

The Directors present their annual report on the affairs of AIICO Insurance Plc ("the company") and the subsidiary companies and associate ("the Group"), together with the audited consolidated and separate financial statements and the Auditor's Report for the year ended 31 December 2021.

Legal form and principal activity:

The Company was established in 1963 by the American Life Insurance Company and was incorporated as a limited liability Company on July 14, 1970. It was converted to a Public Liability Company in 1989 and quoted on the Nigerian Exchange (NGX) Group with effect from December 3, 1990. The Company was registered by the Federal Government of Nigeria to provide Insurance services in Life Insurance Business, Non-Life Insurance Business, Deposit Administration and Financial Services to organizations and private individuals.

The Company is registered by the National Insurance Commission ("NAICOM"). It has two subsidiaries namely:

AIICO Multishield Limited

AIICO Multishield Limited was incorporated in 1997 as a Health Management Organization. It commenced operations in the same year with prepaid health plans to cater for the health needs of individuals and corporate organizations. The Company became a full subsidiary of AIICO Insurance Plc on July 1, 2012.

AIICO Capital Limited

AIICO Capital Limited was registered and licensed by the Securities & Exchange Commission in 2012, to carry out portfolio/fund management services. AIICO Capital Limited commenced full operations in 2014 through the provision of bespoke wealth solutions for clients, by adopting a research based approach for every investment decision. AIICO Capital Limited offers portfolio management services, structured investments and mutual funds to suit the investment needs of corporate and individual clients.

And it has one associate namely:

AIICO Pension Managers Limited

AIICO Pension Managers Limited (AIICO Pensions) provides pension administration services to private and public sector contributors. AIICO Pension is owned by consortium of five reputable companies namely: AIICO Insurance PLC, Oasis Insurance PLC, UNIC Insurance PLC, Wema Securities and Finance PLC and Magnartis Finance and Investment Limited. The Company was incorporated as a Limited Liability Company on February 1, 2005 under the Companies and Allied Matters Act, 2004, and licensed as a Pension Fund Administrator by the National Pension Commission on April 13, 2006. At the Board Meeting held on 30 April 2020, the Company decided to divest its interest in AIICO Pensions Managers Limited. (See note 18)

Operating results:

The following is a summary of the Group's operating results and transfers to reserves:

Profit or loss and other comprehensive income

In thousands of naira	2021	2020	Change	Change (%)
Gross premium written	71,646,427	61,979,667	9,666,760	16
Gross premium income	70,655,049	60,680,800	9,974,249	16
Net premium income	58,521,828	52,779,760	5,742,068	11
Claim expenses (net)	(39,914,664)	(31,656,713)	8,257,951	26
Underwriting loss	30,344,854	(36,272,055)	66,616,909	184
Profit before tax	2,807,000	4,632,074	(1,825,074)	(39)
Profit after tax from discontinued operations	2,366,914	269,490	2,097,424	778
Profit after tax	4,916,009	5,249,825	(333,816)	(6)
Other comprehensive (loss)/ income, net of tax	(1,332,802)	(2,701,346)	1,368,544	51
Total comprehensive income for the year	3,583,207	2,548,480	1,034,726	41
Basic and diluted earnings per share (kobo)	13	14		

Directors that served during the year and their shareholding

The direct and indirect interest of Directors in the Issued Share Capital of the Company as recorded in the Register of Directors' Shareholding and/or as notified by the Directors for the purposes of section 301 and 302 of the Companies and Allied Matters Act 2020 and the listing requirements of the Nigerian Stock Exchange are disclosed as follows:

Directors	Director shares held	Indirect \Holding	31 December 2021 Total Holding	31 December 2020 Total Holding
Mr. Kundan Sainani	-	-	-	-
Mr. Babatunde Fajemirokun	117,119,739	-	117,119,739	50,194,174
Mr. Olusola Ajayi	-	-	-	-
Mr. Adewale Kadri	-	-	-	-
Mr Ademola Adebise	49,070	-	49,070	21,030
Mr Samaila Zubairu	-	-	-	-
Mrs. Oluwafolakemi Edun (Fajemirokun)	-	-	-	-
Mr. Olalekan Akinyanmi	-	-	-	-
Raimund Synders	-	-	-	-

Directors' interest in contracts

None of the Directors has notified the Company for the purpose of Section 302 of the Company and Allied Matters Act, 2020 of any disclosable interest in contracts in which the Company was involved during the year ended 31 December 2021.

Substantial interest in shares

According to the Register of Members at 31 December 2021, no shareholder held more than 5% of the issued share capital of the Company except as disclosed as follows:

	Number of Shares held	%	Number of Shares held	%
AIICO Investment Inc.	3,126,876,790	8.54	1,340,090,053	8.54%
AIICO Bahamas Limited	4,130,740,189	11.28	1,879,357,280	11.98%
DF Holdings Limited	7,292,398,651	19.92	2,564,132,029	16.34%
LeapFrog III Nigeria Insurance Holdings LTD	11,173,946,135	30.53	4,788,834,058	30.53%
	25,723,961,765	70.27	10,572,413,420	67.39%.

Shareholding Analysis

The shareholding pattern of AIICO Insurance PLC as at 31 December 2021 is as stated below:

Holding pattern (range) as at 31 December 2021

		No of Holders	% of Shareholders	No of shares	% of Shareholdings
1	1,000	1,978	2.19	825,921	0.00%
1,001	10,000	19,071	21.10	92,400,258	0.25%
10,001	100,000	60,099	66.48	1,902,341,408	5.20%
100,001	500,000	7,703	8.52	1,395,691,573	3.81%
500,001	1,000,000	759	0.84	522,079,349	1.43%
1,000,001	5,000,000	636	0.70	1,340,320,462	3.66%
5,000,001	10,000,000	61	0.07	424,315,426	1.16%
10,000,001	100,000,000	70	0.08	1,841,074,568	5.03%
100,000,001	1,000,000,000	13	0.01	3,362,265,299	9.19%
1,000,000,001	10,000,000,000	5	0.01	14,550,015,630	39.75%
10,000,000,001	Above	1	0.00	11,173,946,118	30.53%
		90,396	**100**	**36,605,276,012**	**100.00%**

Company's distributors

The Company's products are marketed by insurance brokers and agents throughout the country. The Company also employs the direct marketing method to source for insurance business.

Events after reporting date

As stated in note 24 on share capital, the bonus of N10,458,650,290 (20,917,300,579 ordinary shares at 50 Kobo per share) declared by shareholders at the 30 Nov 2021 AGM on the 31 Dec 2020 Financial Statements, was approved by the Securities and Exchange Commission (SEC) on 6 January 2022. Aside this, there was no material change in the Group's financial position since 31 December, 2021 that would have affected the true and fair view of the Company's state of affairs as at that date.

Property and equipment

Changes in property and equipment during the year is shown in Note 16 to the consolidated and separate financial statements. In the opinion of the directors, the market value of property and equipment is not less than the value indicated in the consolidated and separate financial statements.

Acquisition of own shares

The Company did not purchase any of its own shares during the year.

Employment and Employees:

Employees' health, safety and environment

The Company strictly observes all health and safety regulations. The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Financial provision is also made for all employees in respect of transportation, housing, medical expenses and meals.

Employment of disabled persons

It is the policy of the Company that there is no discrimination in considering applications for employment including those of physically challenged persons. All employees whether physically challenged or not are given equal opportunities to develop their knowledge and to qualify for promotion in furtherance of their careers.

Employees' Involvement and Training

The Company is committed to keeping employees fully informed as much as possible regarding the Company's performance and progress. Views of employees are sought, where practicable, on matters which particularly affect them as employees. The Company runs an open door management policy. Management, professional and technical expertise are the Company's major assets and investment in developing such skills is continuous. The Company's expanding skills base is being brought about by a wide range of in-house and external training. Opportunities for career development within the Company have also been broadened. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include staff retirement benefit, productivity bonus, promotion and salary review.

Donations

Donations and corporate social responsibility during the year ended 31 December, 2021 amounted to ₦32,984,589 (2020: ₦16,710,000) as follows:

In thousands of naira	**Beneficiary**	**Amount**
Furniture refurbishment	Ajumoni secondary school	240
Donation to WE Stand Foundation towards Back-To-School Initiative	WE Stand Together Foundation	3,853
Donation to Commonwealth Businesswomen's Network	Commonwealth Businesswomen's Network	600
Book Swap Initiative	Book Swap Initiative	500
Donation of Car to Ilupeju Police Station	Nigeria Police Force	2,800
ActionAid donation	ActionAid	1,625
AIICO Blood drive 2021	Blood bank	400
Skills acquisition programme	48 Undergraduate interns from Nigeria higher institutions	22,967
		32,985

Auditors

Messrs Ernst & Young have expressed their willingness to continue in office as the Company's auditor in accordance with Section 401(2) of the Companies and Allied Matters Act 2020.

BY THE ORDER OF THE BOARD OF DIRECTORS

Mr. Donald Kanu
Company Secretary

FRC/2013/NBA/00000002884
Plot PC 12, Churchgate Street
Victoria Island
Lagos, Nigeria

Date: 25 February 2022

The Board of AIICO Insurance PLC recognizes that it has the primary responsibility for ensuring good corporate governance. Accordingly the Company, through the Board, maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. The business of the Company is conducted with integrity which pays due regard to the legitimate interests of stakeholders.

The Board is accountable to the Shareholders and does this through pro-actively evaluating the socio-economic, environmental and ethical matters that may impact on stakeholders' interest.

The Board also oversees the performance of Management in order to protect and enhance shareholder value and meet the Company's obligations to its employees and all other stakeholders.

To guarantee the highest level of legal and ethical requirements, internal control measures and processes have been put in place to ensure that Board, Management and staff conduct the affairs of the Company in compliance with all legislations, regulations standards and codes that will positively impact on the performance of the Company.

Roles & Responsibilities of The Board

The Board of Directors provides entrepreneurial leadership for the Company within a framework of prudent and effective controls, sets the Company's strategic direction, objectives, values and standards and ensures that the necessary financial, material and human resources are in place for the Company to meet its objectives, review Management performance and ensures that its obligations to shareholders and other stakeholders are understood and met. The Board Charter sets out the role, responsibilities, structure and processes of the Board of AIICO Insurance PLC (AIICO).

Roles And Responsibilities

The Group Board is the main decision making body at the Group level and it:

(a) Works as a team and meets on a regular basis.

(b) Considers and approves strategic direction of AIICO Group and corporate strategic initiatives.

(c) Approves expenditures over certain limits in respect of its principal businesses.

(d) Has overall responsibility for management of the business and the affairs of the Group, the establishment of Group strategy, capital raising and allocation.

(e) Monitors and oversees the Group's operations, ensures competent and prudent management, sound planning and proper procedures for the maintenance of adequate accounting policies and systems of internal control, and for compliance with statutory and regulatory obligations.

(f) Determines and reviews the Group's strategic direction including, as appropriate, the strategies for each of the principal business units.

(g) Determines the Group's key financial objectives including target rates of return on capital and assets.

(h) Considers emerging issues which may be material to the business and affairs of the Group.

(i) Keeps under review and maintains the Group's capital and liquidity positions.

(j) Reviews and approves proposals for the allocation of capital and other resources within the Group.

(k) Approves material acquisitions and disposals of assets and share acquisitions and disposals which are significant in terms of the business of the Group.

(l) Approves material joint ventures, strategic partnerships and alliances which are significant in terms of the business of the Group.

(m) Reviews and approves the Group's annual capital and revenue budgets (and any material changes thereto).

(n) Receives monthly Business and Financial Reports from the principal business units and consolidated reports for the Group and reviews actual performance in the light of the Group's strategy, objectives, corporate and business plans and budgets.

(o) Considers and approves the Group's procedures for reviewing and monitoring risk, and receives regular reports thereon.

(p) Approves the Group's annual targets and financial statements and monitoring financial performance against forecast and prior years.

(q) Approves the Group's Annual Report and Accounts and its other published financial statements and other material and significant statements issued to shareholders or the Nigerian Stock Exchange.

(r) Determines dividend policy and the amount, nature and timing of dividends to be paid.

(s) Approves arrangements for Annual and Extraordinary General Meetings.

(t) Receives and considers high level reports on matters material to the Group, in particular:

(i) Relations with Regulatory Authorities;

(ii) Human Resources matters;

(iii) Information systems and Technology;
(iv) Insurance cover;
(v) Disaster recovery;
(vi) Litigation and claims;
(vii) Investor and public relations;
(viii) Environmental Policy; and
(ix) Socially Responsible Investment Policy

(u) Establishes and maintains appropriate accounting policies, implement and monitor the maintenance of adequate accounting policies and other records and systems of planning and internal control.

(v) Considers and approves appointments to the Board, the Group Executive Management and approves remuneration arrangements for Executive Directors.

(w) Receives the minutes of and/or reports from the Boards of subsidiary companies and the Committees of the Group Board.

(x) Approves delegated authorities for expenditure and for lending, and for other risk exposures.

(y) Reviews and, as appropriate, agrees changes in the terms of reference of Committees established by the Board.

(z) Approves the appointment of Reporting Accountants.

(aa) Maintains a satisfactory dialogue with shareholders and use the AGM to communicate with investors and encourage their participation.

(bb) Presents a balanced and understandable assessment of the Company's position and prospects.

Board Composition

The Board of Directors is currently made up of Nine (9) directors comprising the Managing Director, Two (2) Executive Directors and Six (6) Non-executive directors, including one (1) Independent Director. Each of the directors being qualified and outstanding individuals in their various fields of endeavours are knowledgeable on Board and Corporate matters. The Board members are provided with full, timely and adequate information to enable them carry out their duties from a very well informed position.

There are clear separation of responsibilities between the Chairman, CEO, Board and Management thus ensuring non-interference of the Board in Management functions.

Directors' Independence and Terms of Office

In line with the provisions of the Company's Articles of Association, a third of the directors or a number closest to a third, excluding non-executive directors and those appointed by the Board during the year, retire by rotation at each Annual general Meeting of the Company and being eligible, present themselves for re-election. Directors retiring are those longest in office since their last election or re-election.

Directors also make unfettered judgments and bring in views that are independent of Management and devoid of any business or other relationships that could interfere with their independent judgment.

Directors' Orientation and Induction

New Directors are expected to give in their best as much as other directors on the Board. To assist them become effective, these new directors are given an orientation regarding the Group's business, Directors duties, code of conduct, policies and procedures applicable to Board and Board committees. A training plan has also been approved by the Board in relevant areas of the Company's core business.

Directors' Access to Management and Right to seek Independent Professional Advice

Directors receive financial reports of the Company and may invite members of senior management at Board or Committee meetings. Access to senior Management is unhindered and is calculated to ensure adequate clarification and information flow leading up to Management decisions. All the Directors are free to seek independent professional advice in the course of their duties at the Company's expense. Directors also have access to the advice and services of the Company Secretary on rules and regulations applicable to the operations of the Board and in particular corporate governance.

Profile of Directors

Mr. Kundan Sainani (B.Comm., FCA)
(Chairman)

Mr. Kundan Sainani holds a Bachelor of Commerce Degree from India and he is a fellow of the Institute of Chartered Accountants of India, New Delhi, India. He is also a certified Chartered Secretary from the Institute of Company Secretaries of India, New Delhi, India. Mr. Kundan Sainani was nominated as a substantive Director on the Board of AIICO Insurance Plc in 2015. He is currently the Chairman of the Board of Directors of AIICO Insurance Plc.

Mr. Sainani brings to the Board over 20 years of experience spanning various industries within and outside of Nigeria including Viva Methanol Limited, Lekki Deep Sea Port; all parts of the Tolaram Group, etc. He is also a Director at the Lekki Free Trade Zone.

Mr. Babatunde Fajemirokun (BA. Hons. M.Sc., MBA, ACII)
(Managing Director/Chief Executive Officer)

Mr. Babatunde Fajemirokun is the Managing Director and CEO at AIICO Insurance PLC, a position he assumed on August 14th, 2019.

With decades of professional experience cutting across management consulting, insurance, and asset management, he joined AIICO Insurance PLC, Life Insurance Division in May 2009, and was responsible for value-enhancing projects in its maiden growth strategy, business process and technology transformation projects.

Prior to AIICO, he worked with Accenture, Lagos (2003 - 2007), and then Capgemini Consulting, UK (2008 - 2009). In both roles, Babatunde provided consulting/advisory services to Financial Services and Government Clients, predominantly in mergers and acquisitions, and then United Kingdom Government transformation programmes.

He also has external appointments as a Non-Executive Director in AIICO Pension Managers Limited, Food Concepts Plc and Xerox Corporation Nigeria (XHS).

Babatunde is a Chartered Insurer (ACII UK & ACIIN), and has an MBA from the University of Chicago Booth School of Business (2013), a Business Information Strategy Master's degree (dist.) from the University of Strathclyde (2002), and a Bachelor's Degree in Business Economics from Glasgow, UK (2000).

Adewale Kadri (B.Sc., MBA, ACCA, ACII)
(Executive Director)

Adewale Kadri is a versatile Insurance practitioner and a seasoned salesperson. He began his Insurance career with Worldwide Insurance Company Limited in 1994 as a Life Marketer and later moved to ELMAC Assurance Nigeria Limited in 1997 where he joined the Team that was saddled with the responsibility of Marketing the Company's various special packaged products. He also worked as an Insurance Officer of Modandola Group of Companies where he was exposed to the rudiment of Insurance broking and technical operations.

He later joined the Marketing team of Newline Insurance Company Limited and Sun Insurance Plc. where he worked in various managerial capacities before joining the pioneer team of UBA Insurance in 2004 as Group Head, Brokers' Management Division. While at UBA Insurance, he served in various committees which ensured the successful take off of the first Bancassurance Business Model in Nigeria. He had a brief stay at NICON Insurance Plc as Senior Manager/Head, Strategic Business Unit before joining Oceanic Insurance Company Limited as Group Head, Brokers Management Unit in 2007.

Wale was the Acting Managing Director of Oceanic Insurance Company Limited/Old Mutual Nigeria General Insurance between July 2012 and April 2014. He left the services Old Mutual Nigeria as Business Development Executive in April 2017 and joined AIICO Insurance Plc as General Manager, Head of Non-Life Business.

He is a Fellow of Chartered Insurance Institute of Nigeria and a Chartered Certified Accountant. He holds a B.sc in Applied Accounting from Oxford Brookes University, United Kingdom and Masters Degree in Business Administration with specialization in Marketing from Lagos State University, Ojo. He is also an Alumnus of The Polytechnic Ibadan where he obtained Higher National Diploma in Insurance and graduated with Upper Credit Division. He equally obtained Certificate of competence in Management Advancement Programme from University of the Witwatersrand, Johannesburg, South Africa.

Mr. Ademola Adebise (B. Sc., MBA, FCA)
(Non-Executive Director)

Adebise's glowing track record of excellence spans several decades across fields including fintech, risk management, management consulting and corporate banking. He is currently the MD/CEO of WEMA. Before joining Wema Bank, the Computer Science graduate of the University of Lagos headed Finance & Performance Management at the Lagos office of Accenture.

He is a fellow of the Institute of Chartered Accountants of Nigeria and an honorary member of the Chartered Institute of Bankers of Nigeria. Adebise has an MBA from Lagos Business School and is an alumnus of Harvard Business School's

Advanced Management Program.

Adebise worked as a Programmer/Systems analyst at an indigenous Information technology company in Nigeria in 1988 before he started his banking career at the Information technology department of Chartered Bank (Now Stanbic IBTC bank) and has also worked in the following capacities: Head of Information Technology and the Chief Financial Officer (CFO) of the Chartered Bank (1989 and 2000); Assistant General Manager at National Bank, supervised Risk Management, Treasury and Corporate Banking (2001 to 2005); General Manager at National Bank (2005); Head of the Finance & Performance. Management Practice for Nigeria at Accenture (2005); Executive Director in charge of South Bank, Deputy Managing Director (supervising Corporate Banking, Treasury, and Support Functions at Wema Bank (2009 to 2017). He is also currently on the boards of AIICO Pension Management Limited and the Nigeria Inter-Bank Settlement Scheme (NIBSS)

Mr. Samaila Dalhat Zubairu (B. Sc.(Hons), FCA)
(Non-Executive Director)
Mr. Zubairu until recently was the Vice Chairman of Africapital-Gem Development Partners Limited, a project development firm focused on providing pragmatic infrastructure solutions to the significantly underserved Nigerian market. He is also a Director of West Africa Infrastructure Investment Managers – JV with Old Mutual to raise and manage the Nigerian Infrastructure Investment Fund. Over the last 26 years, Samaila has worked in various capacities—he was Chief Financial Officer at Dangote Cement Plc, as well as CFO for Obajana Cement Plc.

At Obajana he was a key member of the team that spearheaded the development of Africa's largest green-field cement project. Prior to that, he was the Treasurer for the Dangote Group during its transformation from a trading company to an industrial conglomerate. Samaila also spent time at Liberty Bank Plc. where he was the Head of Investment Banking and subsequently Group Head of Risk Management. Prior to his post at Liberty Bank, he was the Head of Project Finance at FSB Bank (Fidelity Bank).

Samaila is a Fellow of the Institute of Chartered Accountants of Nigeria and the Eisenhower Fellowships International Leader Exchange Philadelphia USA. He also holds a B.Sc Hons. Accounting from Ahmadu Bello University. Zaria.

Africa Finance Corporation (AFC), the leading infrastructure development finance institution in Africa, announced the appointment of Samaila Zubairu as the Corporation's third President and Chief Executive Officer, The appointment took effect from 3rd July, 2018.

Mrs. Oluwafolakemi Edun (nee Fajemirokun)
(Non-Executive Director)
Oluwafolakemi Edun obtained her first degree in Economics (BSc. Economics) at the University College London (UCL). She obtained her Master's degree (MSc. Decision Sciences in 2011 at the London School of Economics & Political Science (LSE). In 2014, she was awarded a Diploma in Management Accounting at the Chartered Institute of Management Accountants (CIMA). In same year, she obtained a certification in Risk Management (Financial Services) at the Institute of Risk Management (IRM).

Oluwafolakemi Edun commenced her work experience as Risk Intern at the AFRISK Management Consultants Ltd, Lagos Nigeria during her service year in 2011. She was instrumental in the development of a risk management framework checklist with 50+ controls to aid insurance companies in assessing against industry standards.

In September 2012, she joined DELOITTE LLP, London England as a Manager, Risk Advisory. During this period, she developed Business Continuity Plan, Process Mapping, was engaged in Risk Management Frameworks reviews for several companies and also advised on risk management frameworks to be adopted.

Mr. Olalekan Akinyanmi
(Non-Executive Director)
Olalekan graduated from the Obafemi Awolowo University in Nigeria with a Bachelor of Science Degree in Electronic and Electrical Engineering and also holds an MBA from Massachusetts Institute of Technology (MIT) Sloan School of Management. He was recently appointed Non-Executive Director of AIICO Insurance Plc.

Olalekan is the founder and Chief Executive Officer of LEKOIL Limited, an Africa focused oil exploration and production company. Since inception, he has led the company through an IPO and subsequent fundraises of over $200 million on the London Stock Exchange's AIM market. This funded LEKOIL's farm-in to OPL 310 and the subsequent discovery of the Ogo field – one of the world's largest in 2013 with estimated gross resources of 774mmboe. In September 2015, LEKOIL achieved "first oil" on its Otakikpo Marginal Field, just 9 months after commencing operations and currently producing at 6000bpd. In October 2015, the Company announced its acquisition of a controlling interest in OPL 325.

Olalekan has over 20 years experience in the oil and gas industry and was the International Energy Sector Head at Alliance Bernstein L.P. in New York (Global asset manager with over $400 Billion under management) with direct responsibility for a $1Billion Energy and Natural Resource Portfolio. Prior to that, he was a member of the #1 institutional investor-ranked team of analysts covering the oilfield services industry as an Associate Director at UBS Investment Research. Olalekan has held Engineering and operational roles within Schlumberger in a career that spanned Nigeria, Egypt, Pakistan, Oman and Scotland.

Mr. Raimund Synders
(Non-Executive Director)
Raimund holds a Bachelor of Commerce and Bachelor of Laws from Stellenbosch University, as well as Executive Leadership

qualifications from the Graduate School of Business, University of Cape Town, and Harvard Business School. Raimund is a Partner of Leapfrog Investment who was recently appointed as a Non Executive Director on the Board of AIICO Insurance Plc, having been recommended by Leapfrog Investment to represent its interest in AIICO Insurance Plc. Raimund brings to bear his experience as one of the most seasoned insurance leaders on the African continent, to the benefit of the LeapFrog team and partner companies.

He joined LeapFrog from Old Mutual Group where as CEO of Mutual & Federal, the 185 year old insurer, he led a turnaround of the company as part of the Old Mutual Group's strategy to establish itself as a leading financial services group across the African continent. Under his leadership, Mutual & Federal was rebranded to become Old Mutual Insurance. Prior to this, Raimund served in executive leadership positions in the Old Mutual Group, leading large multi-disciplinary teams in areas of business such as distribution, bancassurance, investments and wealth management. Key positions included: COO and Head of Distribution for Old Mutual's African operations; Executive General Manager, Old Mutual Life Assurance Co (South Africa); CEO, Old Mutual Life Assurance Co (Namibia); Managing Director, Old Mutual Investment Services

His experience in the insurance industry in Africa is both vast and deep. Over his career, Raimund has led organic and inorganic expansion, sales, marketing, product development, distribution, bancassurance, investment and wealth management – with responsibilities across retail, institutional and enterprise functions cultivated during a 27+ year career with Old Mutual.

Board/Committees and Meetings

The Board functions through these committees, whose terms of reference are as hereinafter set forth:

Finance & General Purpose and Establishment Committee

This Committee's responsibilities include considering and advising the Board on transactions, including the Company's finances, financial policies, financial controls and financial strategies; giving consideration to, and recommending to, the Board the annual budget for revenue income and expenditure and any associated capital expenditure; reviewing the periodic management accounts of the Company and recommending to the Board, any in-year budget adjustments; reviewing the annual financial statements of the Company and recommending same to the Board for approval; monitoring the financial liquidity and solvency of the Company and ensuring that action is taken to maintain this at an acceptable level. The Committee also monitors the planning, implementation and progress against plan of approved major capital expenditure projects and major procurements within the Committee's approval limits as stated in the Expense Control and Procurement Policies of the Company; Considering the Financial Regulations periodically and approving any amendments that become necessary from time to time; Considering the annual review of the effectiveness of Internal Audit.

Nomination, Remuneration & Governance Committee

This Committee's main responsibility is to assist the Board in developing Policies to fill any vacancy on the Board and Board Committees, and to ensure at all times that competence gaps are closed so that the Company is not short of the required skills. It also recommends a competitive remuneration package for the Executive Management and the Board. The Committee considers the need to maintain both internal and external competitiveness. It also reviews the Company's interface with the Regulators, advises the Board thereon, and oversees the administration and effectiveness of the Company's polices through the review of processes and management feedback, etc.

Statutory Audit Committee

The purpose of the Committee is to assist the Board of Directors of the Company in fulfilling its responsibilities in respect of:

- Overseeing the company's financial reporting process, including the internal control and auditing structure and procedures for financial reporting; and monitoring the integrity and appropriateness of the company's financial statements;
- The selection, compensation, independence and performance of the company's external auditors
- The independence and performance of the company's internal auditors.
- Examine the auditors' report and make recommendations to the Annual General Meeting;
- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.
- Review the scope and planning of audit requirements
- Review the findings on management matters in conjunction with the external auditor and departmental responses;
- Keep under review the effectiveness of the Company's system of accounting and internal control

Investment and Enterprise Risk Management Committee

This Committee is charged with the responsibility of assisting in the Board's oversight of the risk profile, risk management framework and the risk reward strategy determined by the Board. Its functions include:

a. Formulation of strategy for complying with investment guidelines issued by the Commission;
b. Determination of an optimal investment mix consistent with risk profile agreed by the Board of Directors;
c. Evaluating the value of the daily market-to-market portfolios and make proposals to the Board of Directors;
d. Periodically reviewing performance of the major securities of the investment portfolio of the Company; Other responsibilities of the Committee include: review of the adequacy and effectiveness of risk management controls, internal controls, corporate governance, drawing-up programmes of adjustment in the case of deviation, oversight of Management's process for the identification of significant risk across the Company and the adequacy of prevention, detection and reporting mechanisms; and review of the Company's compliance level with applicable laws and regulatory requirements that may impact the Company's risk profile etc.

Corporate Governance Report

For the year ended 31 December 2021

Meetings of the Committees

Finance & General Purpose Committee

	Position	No of Meeting	Attendance
Ademola Adebise	Chairman	4	4
Babatunde Fajemirokun	Member	4	4
Adewale Kadri Abass	Member	4	4
Olusola Ajayi ***	Member	4	4
Oluwafolakemi Edun	Member	4	4
Olalekan Akinyanmi	Member	4	4
Raimund Snyders	Member	4	4

These meetings were held on January 26, April 27, July 27, October 19, 2021

Investment & Enterprise Risk Management Committee

	Position	No of Meeting	Attendance
Olalekan Akinyanmi	Chairman	4	4
Ademola Adebise	Member	4	4
Babatunde Fajemirokun	Member	4	4
Oluwafolakemi Edun	Member	4	4
Adewale Kadri Abass	Member	4	4
Olusola Ajayi ***	Member	4	4

These meetings were held on January 26, April 27, July 27, October 19, 2021

Statutory Audit Committee

	Position	No of Meeting	Attendance
Mr. Samaila Zubairu	Independent Director/Chairman	5	5
Sir Edmund U. Njoku	Shareholder/Member	5	5
Mrs. Funke Augustine	Shareholder/Member	5	5
Chief Robert I. Igwe	Shareholder/Member	5	5
Ademola Adebise	Member	5	5
Raimund Snyders	Member	5	5

These meetings were held on January 26, February 25, April 27, July 27, October 19, 2021

Nomination, Remuneration and Governance Committee

	Position	No of meeting	Attendance
Samaila Zubairu	Chairman	2	2
Olalekan Akinyanmi	Member	2	2
Raimund Snyders	Member	2	2

This meeting was held on April 27, October 19, 2021

All the committees endeavoured to perform their duties competently during the year under review.

Meeting of the Board

Board Members	Position	No of meeting	Attendance
Mr. Kundan Sainani	Chairman	5	5
Mrs. Oluwafolakemi Edun (nee Fajemirokun)	Non Executive Director	5	5
Mr. Ademola Adebise	Non Executive Director	5	5
Mr. Samaila Zubairu	Non Executive Director	5	5
Mr. Olalekan Akinyanmi	Non Executive Director	5	5
Mr. Raimund Synders	Non Executive Director	5	5
Mr. Babatunde Fajemirokun	MD/CEO	5	5
Mr. Adewale Kadri	Executive Director	5	5
Mr. Olusola Ajayi ***	Executive Director	5	5

These meetings were held on January 28, February 25, April 29, July 29, October 21, 2021

STATEMENT OF CORPORATE GOVERNANCE

SIAO was appointed to conduct AIICO Insurance Plc's 2021 Corporate Governance Assessment. The review covered the period of 1st January, 2021 to 31st December, 2021. The report was signed by a Partner on behalf of SIAO.

The report was prepared independent of the company's influence and in compliance with the NCCG, SEC & NAICOM Codes of Corporate Governance for Publicly Quoted Companies, and Licensed Insurance Operators respectively.

It is our responsibility to express an opinion on the Corporate Governance matters of the Company between January 2021 and December 2021.

We have studied all documents pertaining to the Corporate Governance Assessment and based on our knowledge of the Company, we believe that we have sufficient basis for our opinion.

This means that our statutory examination of the Board is different and substantially less in scope than an audit conducted in accordance wonal ith InternatiAuditing Standard and generally accepted auditing standards in Nigeria.

In our opinion, the Corporate Governance Report has been prepared in accordance with, and its statutory content is consistent with the annual accounts and the consolidated accounts.

Ituah Ighodalo, FCA
FRC/2013/00000003919
For: SIAO

Date: 25 March, 2022

SIAO

STATEMENT OF BOARD EVALUATION

SIAO was appointed to conduct AIICO Insurance Plc's 2021 Board Evaluation. The review covered the period of 1st January, 2021 to 31st December, 2021. The report was signed by a Partner on behalf of SIAO.

The report was prepared independent of the company's influence and in compliance with the NCCG, SEC & NAICOM Codes of Corporate Governance for Publicly Quoted Companies, and Licensed Insurance Operators respectively.

It is our responsibility to express an opinion on the Corporate Governance matters of the Company between January 2021 and December 2021.

We have studied all documents pertaining to the Board Evaluation exercise and based on our knowledge of the Company, we believe that we have sufficient basis for our opinion.

This means that our statutory examination of the Board is different and substantially less in scope than an audit conducted in accordance with International Auditing Standard and generally accepted auditing standards in Nigeria.

In our opinion, the Board Evaluation Report has been prepared in accordance with, and its statutory content is consistent with the annual accounts and the consolidated accounts.

Ituah Ighodalo, FCA
FRC/2013/00000003919
For: SIAO

Date: 25 March, 2022

SIAO - Accomplish More
Audit & Accounting | Financial Advisory | Taxation | Human Resources

Report of the Statutory Audit Committee

To the members of **AIICO Insurance PLC**

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we the members of the Audit Committee of AIICO Insurance PLC, having carried out our statutory functions under the Act, hereby report as follows:

We have reviewed the scope and planning of the audit for the year ended 31 December 2021 and we confirm that they were adequate;

The Company's reporting and accounting policies as well as internal control systems conform to legal requirements and agreed ethical practices; and

We are satisfied with the responses to the External Auditors' findings on management matters for the year ended 31 December 2021.

Finally, we acknowledge and appreciate the co-operation of management and staff in the conduct of these duties.

SIGNED ON BEHALF OF THE COMMITTEE BY:

Mr. Samaila Zubairu
Chairman of the Statutory Audit Committee
FRC/2014/ICAN/00000007663
25 February 2022

Members of the Statutory Audit Committee are:

Mr. Samaila Zubairu	(Independent Directors' Representative)	Chairman
Sir. Edmund. U. Njoku Mr.	(Shareholders' Representative)	Vice Chairman
Mrs 'Funke Augustine	(Shareholders' Representative)	Member
Chief Robert I. Igwe	(Shareholders' Representative)	Member
Mr. Ademola Adebise	(Directors' Representative)	Member
Raimund Snyders	(Directors' Representative)	Member

The Company Secretary/Legal Adviser acted as the Secretary to the Committee.

Statement of Directors Responsibility for the preparation of the Consolidated and Separate Financial Statements per the provisions of section 405 of the Companies and Allied Matters Act 2020

The Directors accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) guidelines and circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe that the Group and Company will not remain a going concern in the year ahead.

The responsibilities include ensuring that:

- Appropriate and adequate internal controls are established to safeguard the assets of the Group and to prevent and detect fraud and other irregularities;
- The Group keeps proper accounting records which disclose with reasonable accuracy the financial position and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 2004, International Financial Reporting Standards (IFRS), Insurance Act 2003, Financial Reporting Council of Nigeria and the Operational Guidelines issued by NAICOM;
- The Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The financial statements are prepared on a going concern basis unless it is presumed that the Group will not continue in business.

The Directors accept responsibility for the year's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with:

- Insurance Act 2003 as amended:
- Financial Reporting Council Act 2011;
- Companies and Allied Matters Act 2004;
- NAICOM guidelines and circulars; and
- International Financial Reporting Standards (IFRS)

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of financial control.
The directors have made an assessment on the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Babatunde Fajemirokun	**Mr. Oladeji Oluwatola**
Managing Director/Chief Executive Officer	**Chief Financial Officer**
FRC /2015/MULTI/00000019973	FRC/2013/ICAN/0000004910
25 February 2022	25 February 2022

Shareholding Structure And Freefloat Status

Company name	AIICO Insurance Plc
Year end	December
Reporting Period	31-Dec-21
Share Price at end of reporting period	No.70 (31 December 2020: No.82)

Shareholding Structure/Free Float Status

Description	31-Dec-21		31-Dec-20	
	Unit	Percentage		
Issued Share Capital***	36,605,276,012	100%	15,687,975,434	100%
Substantial Shareholdings (5% and above)				
AIICO Investment Inc.	3,126,876,790	8.54%	1,340,090,053	8.54%
AIICO Bahamas Limited	4,130,740,189	11.28%	1,879,357,280	11.98%
DF Holdings Limited	7,292,398,651	19.92%	2,564,132,029	16.34%
LeapFrog III Nigeria Insurance Holdings LTD	11,173,946,135	30.53%	4,788,834,058	30.53%
Total Substantial Shareholdings	**25,723,961,765**	70.27%	**10,572,413,420**	67.39%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Babatunde Fajemirokun	117,119,739	0.32%	50,194,174	0.32%
Ademola Adebise	49,070	0.00%	21,030	0.00%
Total Directors' Shareholdings	117,168,809	0.00%	50,215,204	0.32%
Other Influential Shareholdings				
	-	0.00%	-	0.00%
	-	0.00%	-	0.00%
Total Other Influential Shareholdings	-	0.00%	-	0.00%
Free Float in Units and Percentage	10,764,145,438	29.41%	5,065,346,810	32.29%
Free Float in Value	N7,534,901,807		N 5,723,841,895	

Declaration:
AIICO Insurance Plc with a free float percentage of 29.41% as at 31 December 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Mr. Donald Kanu
Company Secretary

FRC/2013/NBA/00000002884
Plot PC 12, Churchgate Street
Victoria Island
Lagos, Nigeria

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007 and Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements per the provisions of section 405 of the Companies and Allied Matters Act 2020

We the undersigned, hereby certify the following with regards to our audited financial statements for the year ended 31 December 2020 that:

(i) We have reviewed the report and to the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or
- Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Group as of, and for the years presented in the report.

(ii) "We:"

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the year in which the yearic reports are being prepared;
- have evaluated the effectiveness of the group's internal controls as of date of the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

(iii) We have disclosed to the auditors of the Group and Audit Committee:

- all significant deficiencies in the design or operation of internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the Group's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the Group's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Mr. Babatunde Fajemirokun
MD/CEO
FRC /2015/MULTI/00000019973
25 February 2022

Mr. Oladeji Oluwatola
Chief Financial Officer
FRC/2013/ICAN/0000004910
25 February 2022

Introduction

AIICO is committed to creating and maintaining an excellent internal control environment capable of sustaining its leadership position in the industry. The Board and Management of AIICO Insurance Plc. place a high premium on the effectiveness of the Internal Control System and considers it fundamental to the successful operation of the business. As such, it embraces all controls incorporated in the strategic, governance and management processes, covering AIICO's entire range of activities and operations, and not just those directly related to financial operations and reporting. It also includes non-financial activities that relate to the achievement of the overall business objectives.

In AIICO, the internal control system encompasses the control framework guided by organizational structures, statutory requirements, international best practices, management philosophy, codes of conduct, policies, and standard operating procedures. It is designed not only to ensure key business objectives are met but also to maintain the confidence of its stakeholders and the public.

Specifically, the objectives of the AIICO Internal control system are to:

- Ensure effective and efficient operations
- Safeguard AIICO's assets against losses and make adequate provision for liability
- Ensure the reliability of financial reporting and compliance with Generally Accepted Accounting Principles
- Ensure compliance with applicable laws and regulations, including internal policies
- Ensure systematic and orderly recording of transactions and
- Provide reasonable assurance that undesired events will be prevented or detected and corrected.

Most importantly, the AIICO's internal control system helps strengthen the effectiveness and ensure the adequacy of the company's control environment with a resultant effect on boosting the company's capacity to proactively manage the impact of external and internal threats and uncover possible flaws, gaps, and deficiencies in processes and structures. To achieve its intended result, it is fully operationalized as an integrated part of the company's daily business process.

Business Unit (BU) Managers play key roles in assuring that high standards of business processes and ethical practices are observed for the achievement of AIICO's corporate objectives while employees perform internal control roles, which vary depending on their respective functions. This is to ensure effective and efficient management of the organisation's resources, aid internal control over Financial Reporting as well as adherence to all extant regulatory laws and guidelines within the operating environment.

Internal Control Framework

The company has established and fully implemented an internal control framework to guide the internal control functions in accordance with international best practices.

The framework is designed to engender the support and commitment of all stakeholders of AIICO Insurance Plc. to a controlled environment, thus creating an enabling platform that would ensure the Company's growth and stability.
The pre-requisites (Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities) were set and continuously improved upon to ensure that the Company consistently, and effectively achieves its corporate objectives. These are explained below:

- Control Environment – The foundation of AIICO Internal Control System is the control environment, which determines the individual and collective behavior within the Group. AIICOs' leadership sets the tone at the top, that positively influences the control culture and consciousness of its people. Authority and responsibility are assigned with due consideration for risk management that enhances integrity, ethical values, and competence of the entity's people; management's philosophy, and operating model.

- Risk Assessment –The Board and Senior Management, through the Enterprise Risk Management function, regularly assess risks exposures of the Company. Risk assessment includes identifying risks of not fulfilling the fundamental criteria, i.e., completeness, accuracy, valuation, and reporting, for significant accounts in the financial statements. Risks assessed also include operational risk, underwriting risk, reserving and solvency risk, business and strategic risk, market and liquidity, compliance risk, legal risk, and reputational risks. Also, senior management, regularly considers whether the existing internal controls are effective concerning the risks identified in the financial reporting process.

- Controls Activities – Control activities mitigate the risks identified and ensure accurate and reliable financial reporting as well as process efficiency. The Company has established policies, procedures, and mechanisms that help ensure that management's responses to risks identified during the risk assessment process are fully executed. Control activities occurr throughout the organization, at all levels, and in all functions. These activities include the establishment of standard operating procedures for all functions within the company to guide the company's operations such as bank and general reconciliation review, budgetary and reporting system review, network access control, pre-disbursement review, etc.

- Information and Communication – The Group recognises that Information is necessary for the entity to carry out internal control responsibilities to support the achievement of its objectives; It ensures that the right business decisions are made. Consequently, AIICO has established effective processes and systems that identify, capture, and report operational, financial, and compliance-related information in a form and within a timeframe that aids staff in executing their responsibilities. All personnel receive clear message from top management to ensure that control responsibilities are taken seriously. Consequently, business units understand their roles in the internal control process, as well as how individual and business unit activities are

interrelated and supportive for the achievement of the corporate objectives.

Generally, communication in AIICO is continual, iteratively shared across the entity to convey the information needed to carry out day-to-day internal control responsibilities and their importance to the achievement of corporate objectives.

- Monitoring Activities – The Board and Executive Management established assurance functions that assess the adequacy and quality of the internal control system's performance. These assessments are conducted through ongoing monitoring activities, separate evaluations, or a combination of the two. Ongoing monitoring occurs in the course of operations while separate evaluations depend on risk assessment and effectiveness of ongoing monitoring within the organisation.

  Identified deficiencies in internal controls are reported to those in charge of governance.

Therefore, the Board has instituted internal control systems that provide reasonable assurance that assets are properly safeguarded and unauthorized use or disposal are fully prevented. Moreso, proper accounting records are maintained to provide reasonable assurance on the reliability of financial information generated from the financial system.

Internal Control Function

To this end, the Internal Control Department ensures compliance with all internal policies, implementation of the company's policies, standard operating procedures, prevention and correction of all systematic errors and omissions in the operations. Control function effects far-reaching improvement and development of process advancements to aid the achievement of the organization's corporate objectives.

As a process, internal controls are developed and implemented throughout the company to provide reasonable assurance that corporate objectives are achieved, most importantly in the following areas:

- Operational objective - effectiveness and efficiency of operations;
- Information objective - reliability of reporting;
- Compliance objective - compliance with all extant Laws and regulatory guidelines, and internal policies and procedures

For the achievement of the above-stated objectives, the internal control system lays emphasis on:

- A process consisting of ongoing tasks and activities that is a continuing process rather than a periodic review. It is not merely about establishing policy manuals, systems, and forms; but are effected by all staff at all levels;
- Ability to provide reasonable assurance rather than absolute assurance;
- Achievement of the organization's objectives and operational improvement;
- Adaptability to the entity structure.

2021 Internal Control Improvements

During the financial year, the Internal Control function reviewed all major transactions, reported all identified control lapses, executed recommended remediation and improvements initiatives. It also contributed to business growth and sustainability by ensuring compliance with internal policies and procedures with resultant reduction of waste and leakages and improved operational efficiency.

Other internal control initiatives and improvement measures undertaken during the year are:

- The function was able to sustain the Control Self-Assessment (CSA) principle to aid various coverage of routine review, assess the effectiveness of risk management and control processes, and reduce or eliminate the risk of error. The technique also ensures full compliance with extant regulation and internal policies and assures that key established control put in place are working effectively as designed.
- The Internal Control function introduced company-wide cyber security simulation to create awareness and inculcate cyber security consciousness amount staff at all levels. For example, two vulnerability assessments and two phishing mail simulations were conducted during the year to assess the reaction of staff to cyber security threats.
- Monitoring: Monitoring and reviewing activities of the company's transactions were strengthened in line with company policy and procedures to assure adherence to internal company policies, statutory regulations/requirements and international best practices. This was aimed at reducing the exposure of the company to operations and compliance risk;
- Report Rendition: Improved on and sustained the preparation and presentation of monthly activities and exceptional reports to Senior Management on control failures, Key exceptions and the actions taken or remediation to address such failures.

1.0 Introduction

We have an efficient risk management system, which is considered key to developing our business and achieving our objectives, this is fundamental and central to our business activities; the system forms an integral part of our corporate governance, processes, and procedures and is fused to our culture across the Group. We seek to achieve an appropriate balance between risk and reward in our operations and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment. We remain committed to increasing shareholder value while we are mindful of achieving this objective in line with the interests of all stakeholders.

The system has evolved over time, from assurances provided by both internal and external auditors as well as certification bodies on continuous improvement. We consistently build the system and periodically review it for adequacy, effectiveness, and efficiency.
By effectively managing our risks, we maintain our resilience and make sure we are there when our customers need us. Our risk management describes our major risks and how we proactively manage them.

> *By effectively managing our risks, we maintain our resilience and make sure we are there when our customers need us. Our risk management describes our major risks and how we proactively manage them.*

The Group has a sound Enterprise Risk Management Framework that provides the foundations and arrangements, which lays the foundation for effective risk management and controls throughout the organization at all levels. This is continually upgraded to conform with global best practices through innovations and automation, communications and consultations, training, and awareness. The framework also provides the Group with the appropriate guidance to ensure that its actions and activities regarding risk management are consistent with the need to meet competitive challenges and position the company over and above the regulatory requirements.

The overall aim of the Group's enterprise risk management (ERM) process is to support better decision-making through a thorough understanding of risks and likely impact on business objectives. As uncertainties in the marketplace are part of the Firm's business management, the Group monitors and manages its exposure to various risks in a structured and proactive way. Information on risk derived from the risk management process are reported appropriately and used for decision-making.

The Board of Directors and Management, provided, among other things, independent and objective oversight of risk and capital management across the group. Specifically, they:

- Reviewed the activities and effectiveness of the organisation's risk management and control system relative to organisation strategies and objectives..
- Maintained the ISO 22301: 2012 (Business Continuity Management System) Certification following a continuous assessment visit by British Standard Institution (BSI).
- Implemented and obtained ISO 27001: 2013 Information Security Management System certification as a preventive measure against cybersecurity and related risks.
- Assessed the Asset and Liability Management and other Committee reports to guarantee adequacy and effectiveness of risk management and control system.
- Approved and monitored the group's risk profile and risk tendency against risk appetite for each risk type under normal and potential stress conditions.
- Reviewed and approved the Company's Own Risk and Solvency Assessment (ORSA) report.
- Approved continuous ERM training and awareness across all levels to enhance the organisation's risk management and control culture.
- Reviewed management's responses to the COVID-19 pandemic and ensure business continuity and stakeholders' safety.
- Assessed the effectiveness of the Risk Management awareness and training to improve the risk culture across the organisation.
- Ensure adequate capitalisation of AIICO Insurance Plc

The Management and Board held monthly and quarterly meetings respectively, to review the risk management system and assess the adequacy and effectiveness of the risk management process.

2.0 Risk Management Governance Framework

The Group's approach to risk management is supported by a best-in-class Enterprise Risk Management framework, backed by a risk-aware culture across the group. The group is committed to continually improving this framework, as well as its risk management capabilities and culture, to ensure the long-term growth and sustainability of its business.

The Board of Directors is ultimately responsible for the governance of the group's risk management and is committed to ensuring that appropriate and effective risk management and control systems are established across the group. It periodically reviews the system for adequacy, effectiveness, and continuous improvement.

Executive management recognises the critical importance of having an efficient and effective risk management system in place. The Group has established a risk management function with clear terms of reference from the Board of Directors, its committees and the associated executive management committee. This is supplemented with a clear organisational structure and outlined responsibilities from the Board of Directors to the executive management committee, and senior managers.

To demonstrate commitment to a robust ERM and control system, the Investment and ERM Board Committee met quarterly in 2021, while the ERM Management Committee met monthly during the period. ERM and control reports and related issues were the focus of meetings.

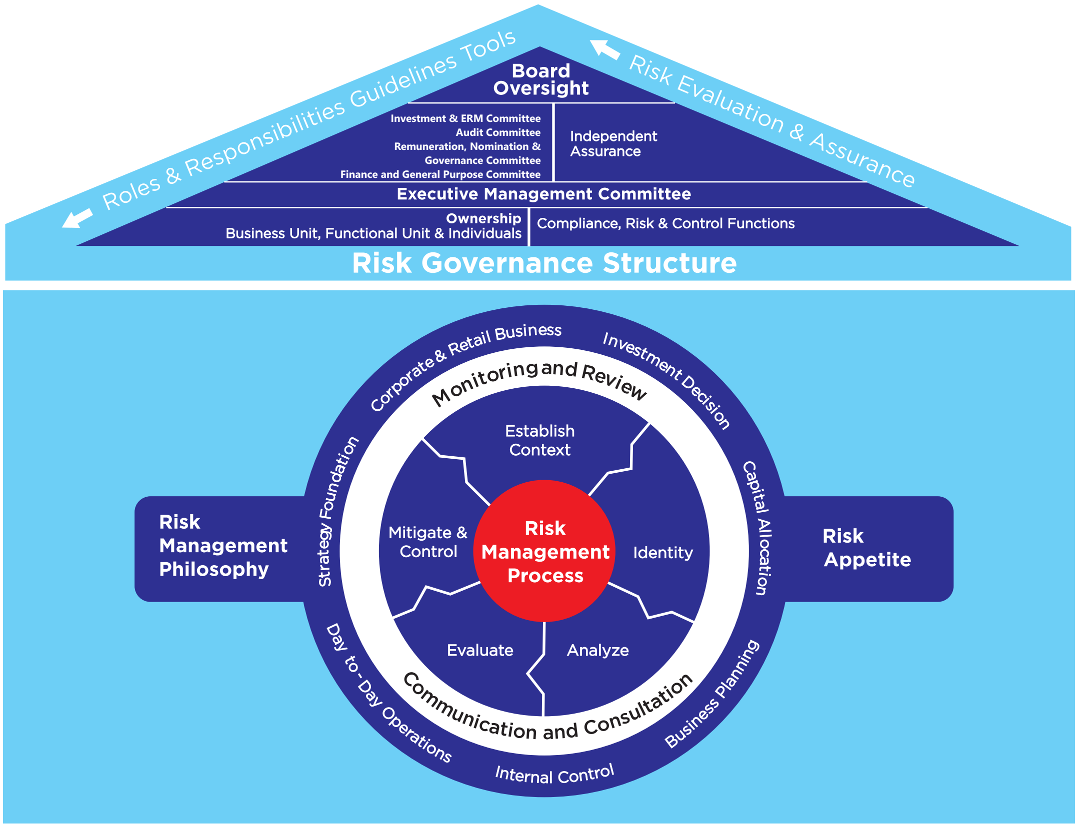

Figure 1: Risk Management Governance Framework in AIICO Insurance PLC.

Role of Board of Directors

The ERM framework provides detailed responsibilities of the Board, its Committees and Management for managing the Group's risks. Below are the responsibilities of the Board in the management of risk:

- Approving and periodically reviewing risk strategy and policies;
- reviewing and providing oversight of the adequacy and effectiveness of the group's risk management control framework;
- Approving and monitoring the group's risk profile and risk tendency against risk appetite for each risk type under normal and potential stress conditions; Providing independent and objective oversight of risk and capital management across the group; Periodically reviewing changes in the economic and business environment, along with trends that may threaten the Group's business model, key strategies, future performance, solvency and liquidity.
- Reviewing the adequacy and effectiveness of risk management and controls.
- Ensuring AIICO's risk strategy reflects its tolerance for risk.
- Reviewing and approving changes/amendments to the risk management framework.
- Defining AIICO's overall risk appetite in relation to operational risk, business and strategic risk, underwriting risk, reserving and solvency risk, market and liquidity risk, credit risk, reputational risk, compliance risk, and legal risk.
- Approving AIICO's overall strategic direction and risk tolerance, in relation to operational risk, underwriting risk, reserving and solvency risk, business and strategic risk, market and liquidity risk, credit risk, reputational risk, compliance risk and legal risk, based on the recommendation of the Board Investment and Enterprise Risk Management Committee.
- Ensuring that Senior Management as well as individuals responsible for operational, underwriting, reserving and solvency, business and strategic, market and liquidity, credit, reputational, compliance, and legal risk management, possess sound expertise and knowledge to accomplish the risk management functions.
- Ensuring that AIICO's ERM Framework is subject to effective and comprehensive internal audit by independent, appropriately trained and competent personnel and/or Professional Body.
- Ensuring that the Group's Senior Management has the required authority and ability to manage risks.
- Setting appropriate guidelines to Management, including an explicit statement of a zero tolerance policy for all unethical behaviours and breach of internal policies and procedures.
- Ensuring the Group complies with all statutory responsibilities and regulatory guidelines.

Role of Board Committees

The above responsibilities of the Board of Directors are discharged primarily through four committees of the Board, namely:

- Board Investment and Enterprise Risk Management Committee.
- Board Audit Committee and
- Remuneration, Nomination& Governance Committee
- Finance and General Purpose Committee

The ERM Framework being the main risk governance document, sets standards for effective risk management. It describes the principal risk types and defines the appetite for risks at all levels. The Risk Management procedure provides guidelines to implement the principles in our Framework.

Without prejudice to the roles of these committees, the Board retains the ultimate responsibility for the management of risks and control of the organisation. The committees meet at least once per quarter and present their reports to the Board.

The ERM Framework being the main risk governance document, sets standards for effective risk management. It describes the principal risk types and defines the appetite for risks at all levels. The Risk Management procedure provides guidelines to implement the principles in our Framework.

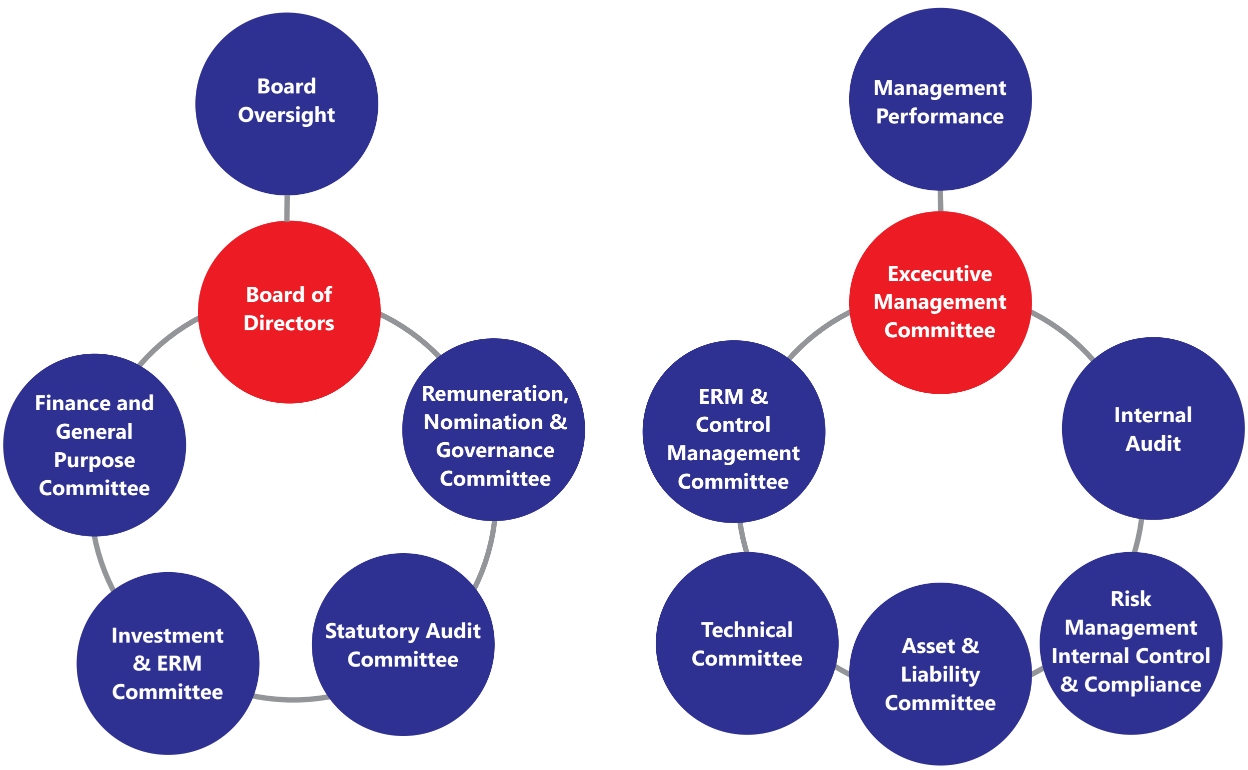

Figure 2: Risk Management Governance

3.0 Capital Risk Management

Objectives, policies and approach

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

i. To maintain the required level of stability of the Group, thereby providing a degree of security to policyholders.
ii. To allocate capital efficiently and support its business development, by ensuring that returns on capital employed, meet the requirements of its capital providers and its shareholders.
iii. To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
iv. To align the profile of assets and liabilities, taking account of risks inherent in the business.
v. To maintain financial strength to support new business growth and to satisfy the requirements of policyholders, regulators and stakeholders.
vi. To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholder value.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's capital management policy for its insurance and non-insurance business, is to hold sufficient capital to cover the statutory requirements based on NAICOM's directives, including any additional amounts required by the regulator.

4.0 Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Each of these risks are discussed below:

1. Credit risk

Credit Risk is the risk to earnings or capital from the possibility that a borrower or counterparty will fail to perform on an obligation applicable to:

- Inability of policyholders to pay renewal premium as at when due
- Investment related
- Transaction with other clients and (re)insurers

What is the Group's Risk Appetite to Credit Risk?

We have a low appetite to credit risk as it has no upside, however we do recognise that it is unavoidable in the pursuit of strategic/business objectives and it is not outside our risk management expertise.

How is the Group Exposed to Credit Risk for its Life and Non-Life Businesses?

The Group is exposed to credit risk on several fronts, which include investments held by issuing authorities other than the Federal and/or Local State Governments of Nigeria, deposits held with banking institutions and exposure from co-insurers, as well as exposure from reinsurance contracts. All these require that AIICO engages with a counterparty, which is required to fulfil its obligations to the contract.

How is the Group managing the risk?

To manage its exposure, the Group has put in place certain measures listed below:

- Assessments of the credit rating of borrowers, issuers of investment securities and/or other counterparties, before entering into contractual obligations.
- Counterparty limits under asset allocation to avoid significant exposure to a single issuer and monitoring implementation of same.
- Requiring provision of collateral transactions.
- Regular rebalancing of investment and reinsurance portfolios.
- Reporting defaulters to the credit reference bureau for blacklisting.
- Diversification of banking institutions in which deposits are held.
- Securing credit insurance to mitigate the severity of defaults should they materialise.
- Prompt processing and follow up of reinsurance and third-party recoveries, to ensure they are received on time, to avoid/reduce risk of default.
- Coordinate Credit Risk Management with the management of other risks inherent in AIICO's business activities.

How significant is our exposure i.e. what could go wrong?

The Group's Life business exposure to credit risk is not material, as the bulk of its assets are financial assets with the Federal Government of Nigeria. Non-financial assets such as land, buildings and investment property are company-owned, hence not subject to default.

Exposure to reinsurers for the life business is not material, relative to the Non-life business.

The Group's Non-life business has significant exposure to credit risk from its coinsurance and reinsurance counterparties. Reinsurance assets (recoverable from paid claims, outstanding claims reserves, reinsurance share of incurred-but-not-reported reserves, unearned premium reserves, etc.) constituted over 25% and 20% of total assets as at December 2021 and December 2020 respectively.

This is however not a material risk, as a key management approach to this risk is engaging reinsurers with a global footprint, acceptable rating, excellent reputation and good financial standing. Additionally, regular interaction with key contacts at reinsurers for technical support and to obtain updates on the health/status of the reinsurer.

2. Liquidity risk

Liquidity risk is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss, or the risk of deviation in the actual cash flow requirements from the expected cash flow requirements. This risk could have a significant impact on the ability of the company to honour its commitments towards clients and creditors.

The key components of liquidity risk are:

i. Funding risk – the risk that the actual cash flow requirements deviate from the expected cash flow requirements.
ii. Marketable Assets risk – the risk that assets cannot be realised at reasonable prices because of unfortunate timing and/or stressed market conditions.
iii. Intra-Group risk – the risk that the company may be exposed to calls on its own liquid resources from other entities in the AIICO Group.

What is AIICO's Risk Appetite to Liquidity Risk?
AIICO has a low-to-moderate liquidity risk appetite for the Non-Life business and moderate-to-high for the Life business, due to the short-term and long-term nature of the contracts under Life.

How is AIICO exposed to Liquidity Risk?
AIICO is exposed to funding risk in the sense that actual cash flow requirements quickly change from expectations for the following reasons:

i. Large/catastrophe claims under Non-Life and Group life short-term insurance contracts that create significant demands to liquid resources before reinsurance recoveries are received.
ii. Significant and sustained increase in attrition claims under the same contract under (i) above.
iii. Significant and sustained increase in surrenders and lapses that create significant demands to liquid resources and/or require disinvestments.

AIICO is exposed to marketable asset risk when the change in the actual cash flow requirements due to the aforementioned, require liquidation of assets at short notice to meet the obligations and/or in distressed market circumstances, even in the absence of such liquidity demands.

AIICO is exposed to intra-group risk, as it is the ultimate parent of the AIICO subsidiaries, which effectively places AIICO under implicit guarantee to support its subsidiaries under distressed circumstances, which may otherwise lead to significant reputational risk for the company and the Group as a whole.

How is AIICO managing its Liquidity risk?
Managing liquidity risk within AIICO is well developed as the Company experiences sizeable demands on its liquid assets from time to time. The key way to managing this is an explicit strategic allocation of a percentage of the liquid assets of the Life and Non-Life businesses, to smooth out occasional short-term liquidity demands.

Additionally, the AIICO has a cash call provisions in its reinsurance arrangements and putting in a place a range of measures outlined below:

i. Monitoring and reporting its liquidity risk profile through: multi-year cash flow projections under normal and stressed market conditions.
ii. Limits framework as outlined above, by way of holding a certain percentage of assets in liquid and readily realisable assets.
iii. Liquidity contingency plan: The Group will in future put in place a liquidity contingency plan to reduce the likelihood and/or impact of not being able to meet its financial obligations under severe distressed circumstances affecting a large proportion of the insurance industry i.e. under stressed market conditions.
iv. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments, at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

3. Market risk

Market Risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, or equity prices.

What is AIICO's Risk Appetite to Market Risk?
We have a moderate-to-high appetite for market risk, as it is in line with our core business objectives and within our risk management expertise.

The organization's risk appetite framework has stated clearly the limits of its tolerance as regards market risk. It stipulates that:

- The duration mean term of the residual insurance investment assets, must be matched to insurance liabilities at an 85% confidence level.
- The financial/insurance obligations must match at a minimum 95% confidence level with appropriate choice of assets. These liabilities include but are not limited to:
  - Insurance Contract Liabilities.
  - Investment Contract Liabilities.
- There is zero appetite for investment loss of more than 15% of market value of equity investment as at the beginning of each year.

Life Insurance

How is the Life Business exposed to Market Risk?
AIICO sells Retail Life products that exposes the company, through investment of the assets backing the policyholder reserves, to changes in the prices of financial assets, mainly interest rates driven by government bond yields, interests on money market instruments, equities and property prices, and currency. Adverse price movements in the various markets, pose risks to the company's earnings and capital.

How is the Life Business managing this risk?
Market risk is managed according to several measures including:

i. Asset-liability matching policy, which requires regular monitoring of assets and liabilities by nature, term, currency and modified duration.
ii. A strict investment mandate, as defined by our Risk Appetite and enforced by our Investment Policy.
iii. Fundamental analysis of investment positions, diversification across asset classes, stop loss limits for all investments, frequent portfolio rebalancing, active portfolio and market performance monitoring.

How significant is our exposure i.e. what could go wrong?
The following scenario tests were performed to test the significance of our key exposures to market risk variables as at December 2021 (amounts are in '000):

Summary	Base	VIR +1%	VIR -1%	Expense Inflation +2%	Expense Inflation -2%
Individual	134,322,474	126,282,545	143,485,229	135,027,428	133,789,999
Group	10,904,704	10,904,704	10,904,704	10,904,704	10,904,704
Reinsurance	(598,369)	(598,369)	(598,369)	(598,369)	(598,369)
Net Liability	**144,628,809**	**136,588,880**	**153,791,564**	**145,333,763**	**144,096,334**
		-5.6%	**6.3%**	**0.5%**	**-0.4%**

Retail Life's liabilities are significantly sensitive to changes in interest rates, compared to the rates of inflation in the economy.

The Life business' assets mix as at December 2021 relative to December 2020, is shown below:

	Life Portfolio Asset Mix			
Assets (N'000)	**2021 YE**	**%**	**2020 YE**	**%**
Cash and Cash equivalent	4,835,071	3.1%	2,215,601.00	1.3%
Trade Receivable	-	0.0%		0.0%
Reinsurance Asset	2,101,478	1.2%	725,700.00	0.4%
Deferred Acquisition Cost	-	0.0%		0.0%
Financial Asset	**136,560,869**	**88.9%**	**152,833,153.00**	**92.1%**
Deferred Tax Asset		0.0%		0.0%
Investment in subsidiary	837,317	0.5%	1,650,627.00	1.0%
Investment in property	488,000	0.3%	459,000.00	0.3%
Plant, Property & Equipment	4,986,854	3.2%	4,797,172.00	2.9%
Other receivables and prepayment	3,130,036	2.5%	2,990,292.00	1.8%
Statutory deposit	200,000	0.1%	200,000.00	0.1%
Goodwill and other intangible asset	37,390	0.0%	59,244.00	0.0%
Total Assets	**153,636,307**	**100%**	**165,930,789**	**100%**

From the above, the assets of the business are predominantly in financial assets (which mainly includes federal government bonds and bills), land and investment property, money market instruments (cash and cash equivalents), quoted equities, prepayments and other receivables.

In isolation, the exposure to market risk from the financial assets may seem significant, but the movements in the bulk of the assets are linked to the corresponding movements in policyholder reserves/liabilities through the valuation interest rates used in the reserving for retail Life SBU. Assets are chosen such that they aim to match the price movement of the liabilities to the extent practical. This is achieved through matching the modified duration of the assets to the modified duration of the liabilities to the extent practical.

It is standard practice to target differences between duration of assets and liabilities to be less than one.

Taking the aforementioned into account, the balance of the market risk is not significant to the Life business.

Non-Life Insurance

How is the Non-Life Business exposed to Market Risk?
AIICO backs its Non-life reserves and part of excess assets, with investment assets that exposes the Group to changes in the prices of the assets, mainly Federal Government Treasury bills and bonds, money market instruments and equities. Adverse price movements in the various markets, pose risks to the Group's earnings and capital.

How is the Non-Life Business managing the risk?
Market risk is managed according to several measures including:

i. Asset-liability matching policy, which requires regular monitoring of assets and liabilities by nature, term, currency and modified duration.
ii. A strict investment mandate, as defined by our Risk Appetite and enforced by our Investment Policy.
iii. Fundamental analysis of investment positions, diversification across asset classes, stop loss limits for all investments, frequent portfolio rebalancing, active portfolio and market performance monitoring.

How significant is our exposure i.e. what could go wrong?
The market risk exposure to Non-Life business is not material, as most of the financial assets are invested in short-term and liquid investments. Liquid investments are encouraged or required due to the nature of short-term insurance business, where large claims may need to be paid at short notice and before recoveries are received from reinsurers.

The table below summarises market risk exposure and financial assets listing (which account for over 46% of the total risk exposure as at YE 2021 of Non-Life business segment.

Non-Life Portfolio Asset Mix				
Assets (N'000)	**2021 YE**	**%**	**2020 YE**	**%**
Cash and Cash equivalent	4,227,890	14.3%	7,063,784.00	21.5%
Trade Rec eivable	689,375	0.7%	897,597.00	2.7%
Reinsurance Asset	8,286,445	24.6%	6,770,695.00	20.6%
Deferred Acquisition Cost	739,223	2.2%	582,265.00	1.8%
Financial Asset	**16,157,354**	46.3%	**13,241,243.00**	40.3%
Deferred Tax Asset		0.0%		0.0%
Investment in subsidiary	250,000	0.7%	801,732.00	2.4%
Investment in property	318,000	0.9%	299,000.00	0.9%
PPE	1,860,584	5.6%	1,908,398.00	5.8%
Other receivables and prepayment	390,984	1.4%	172,664.00	0.5%
Statutory deposit	300,000	0.9%	300,000.00	0.9%
Goodwill and other intangible asset	800,863	2.4%	803,135.00	2.4%
Total Assets	34,372,975	100%	32,840,513	100%

Currency risk exposure

The Gross liabilities in foreign denominated currency for AIICO as at 31st December 2020 was estimated to be $10.3m. This reduced slightly to approximately $9.7m (largely Insurance liabilities) as at 31st December 2021, consisting of total outstanding claims amount of $4.9m and insurance contract liabilities of $4.8m (with a significant portion of it coming from the Non-Life business).

However, AIICO's total foreign currency denominated asset was about $9.1m as at 31 December 2021, which are held in cash, fixed deposit, and reinsurance assets. Thus, we have a deficit foreign currency denominated amount of $0.6m. A strengthening and/or weakening of the deficit foreign currencies by approx. 10%, will have a net impact to the business of approx. NGN100m+. This is not significant to the business overall.

5.0 Insurance Risk Management

Insurance risks are inherent uncertainty regarding the pricing, adverse selection, product design, net retention, reserving, occurrence, amount or timing of insurance liabilities. It also covers the future risk claims and expenses exceeding the value placed on insurance liabilities. The timing is specifically influenced by persistency and expenses about which assumptions are made in order to place a value on the risk.

These risk are capable of exposing the insurer to unexpected losses which may threaten the capital adequacy of the insurer.

The Group assesses and monitors insurance risks through factors such as thorough data analysis and stress-testing, performance monitoring of toxic account etc. The group manages and monitor consistently within acceptable limits those exposures assumed in the course of providing insurance cover to insured risks.

Another principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance, which is taken out to reduce the overall exposure of the Group to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

6.0 Cybersecurity Risk Management

The Group understands that cybersecurity risk and cyber-attacks may have a significant impact on its financial statements and therefore continuously pays attention on managing this risk to ensure that the likelihood and impact of threats and vulnerabilities are minimized.

A combination of strategies, technologies and user education has been established by Management to protect the Group against cybersecurity attacks that can compromise systems, steal data and other valuable Group information, and damage an enterprise's reputation. This system focuses on the protection of the Group and Clients' information, data, associated information system and assets.

The Group completed the implementation of the Information Security Management System (ISMS) and got certified to ISO27001 by the British Standard Institution in November, 2021, which further assures the security of the Group's information assets and mitigate the impact of any security breach.

The Group conducts regular cybersecurity training and education for its leadership, managers and users, including training on all aspects of the Risk Management Framework and policies. This is to protect them and the group against cyber-attacks and threats, empowering users with the technical proficiency, mastery and knowledge to recognize and mitigate a cyber-threat.

7.0 Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Operational risk is inherent in the Group's business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management.

The group operational risk strategy seeks to minimize the impact that operational risk can have on shareholders' value. The Group's strategy is to:

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings.
- Minimize the impact of unexpected and catastrophic events and related costs
- Eliminate bureaucracy, improve productivity, reduce capital requirements and improve overall performance through the institution of well designed and implemented internal controls

In a bid to ensure that the group continue to manage its operational risk effectively, the group during the year got certified in ISO-27001 which is an internationally recognized certificate for information and security management systems. The group is also implementing the recertification and transition of ISO 22301-2012 to the most recent standard issued ISo-22301- 2019 which is an international recognizable standard for business continuity and management systems.

8.0 The Three Lines of Defence

AIICO adopts the 'three lines of defence' risk management framework, which allows for input across all levels of the business to help manage current risks and keep abreast of emerging risks. This is embedded in the Group's enterprise risk management structure, which includes management's approach to risks inherent in the business and its appetite for these risk exposures.

The Group operates and sustains the 'three lines of defence model' to establish a risk management capability and promote a risk culture across the Group.

Under this approach, AIICO continuously assesses and monitors its risk profile against the set standard which emphasises strict adherence to controls and best practices. The model provides the business with an effective approach to clarifying key roles and functions, and helps to ensure the effectiveness of the Group's risk management initiatives.

First Line of Defence

This is implemented by the units or business functions that perform daily operational activities, especially those that are at the Group's front lines. They own and manage the inherent risk exposures of the business in accordance with approved risk appetites, mandates, and limits set by the Board and ensure full compliance with the framework, policies, and approval requirements among others.

The Group's line managers are responsible for ensuring a conducive risk and control environment, as part of their day-to-day functions and operations. They implement risk management policies and create an awareness of risk factors that are considered responsible for tactical decisions and actions and as well deter the Group's corporate growth.

Employees in the first line of defence identify risks, implement controls and provide business initiatives that are value adding and improve the risk management process.

Second Line of Defence

Risk management, compliance and control functions execute the second line of defence. These roles provide oversight and submit reports to the Executive Management over business processes and risks, as well as the assurance that business functions are implemented in accordance with the established risk management framework, policies and standard operating procedures. They guide and provide direction for implementing and monitoring the Group's overall risk management strategy.

The second line of defence reviews and assesses the risk-taking activities of the first line of defence and the actions being taken to manage and control risks, and reports to the Executive Management and Board of Directors appropriately.

Third Line of Defence

This line of defence comprises the Internal Audit and other independent assurance providers that provide an independent and objective assurance over the risk management process, controls and objectives, as established by AIICO Insurance. More importantly, this role evaluates how the first and the second lines of defence achieve their risk management, governance and control objectives and reports to the Board accordingly.

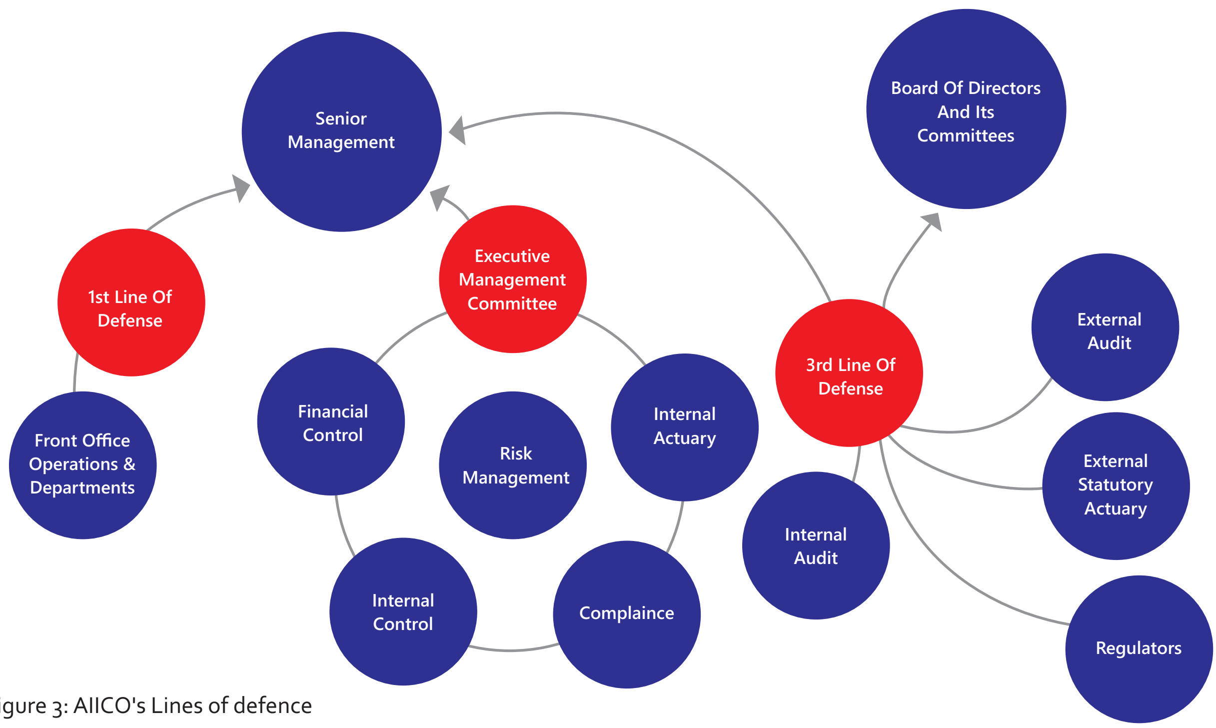

Figure 3: AIICO's Lines of defence

9.0 Risk Culture

Strong risk culture is promoted throughout the Group, with a continuous process that is rooted and reflected in its corporate values, leadership styles and operations. It is the definition of sustainable growth and the glue that binds all elements of the risk management infrastructure together.

The Group recognises the importance of effective risk management to achieve its corporate objectives. Hence, it has established a risk culture throughout the Group as a fundamental tool for effective risk management. The risk culture significantly affects the Group's capability to take competitive and effective strategic risk decisions and deliver promises to stakeholders. In addition, AIICO extends its risk culture to third-party suppliers and partners, to help ensure third parties are managing risks within guidelines or meeting their internal risk standards.

The Board, on its part, sets the tone by the establishment of a risk appetite, an ERM framework, and a functional ERM and Control department. The Board holds a quarterly review of risk management reports and risk-related activities for oversight and continuous improvement. There is a formal process to consider risks at each decision-making circle, along with a consistent and repeatable approach that allows for an understanding of the various impacts.

The Management conducts periodic risk assessments; risk owners are identified and reports are communicated and continuously monitored by the second line of defence to provide reasonable assurance. In addition to internal audit periodic inspections, the British Standard Institution (BSI) and KPMG, conduct periodic independent audit exercises in areas of operations and activities with critical risks.

Risk Management awareness week is conducted yearly to sensitise staff across the strategic business units and divisions, of the need and importance of prompt identification and effective management of both internal and external risks in the operating environment. The one-week programme is to ensure a common understanding, awareness and, effective management of risks across the organisation.

The board, management, and staff are committed to continuous improvement of the Group's risk culture. AIICO ensures a visible and substantive change in its risk culture, to guarantee its stakeholders that its business can be trusted. The Group will continue to experience, across board, changes in its culture and when required, refocus its attitude and behaviour in meeting the needs of its stakeholders.

Board Appointment Process

PREAMBLE

AIICO Insurance Plc has put in place a transparent process for the selection and appointment of executive and non-executive directors to its Board. The Governance, Nomination and Remuneration Committee (GNRC) retains the responsibility as mandated by the Board to commence and conclude the appointment process, viz:

- The board evaluates the balance of skills, knowledge and experience on the board along with its succession plan as part of the decision-making process.
- The GNRC collates the requirements for suitable candidates based on various criteria set by the board and may appoint an external consultant to conduct a search for candidates that meet the identified criteria.
- The external consultant presents a shortlist of suitable candidates to the GNRC for further screening.
- Potential candidates are then screened in line with fit and proper tests of the regulator to ensure that there are no adverse financial or reputational issues that would make them unsuitable for appointment as director.
- Members of the GNRC further consider the qualifications of the candidates and decide on the most suitable candidates for presentation to the board.
- The committee makes recommendations of qualified candidates to the board of directors for approval.
- Any successful candidates are presented to the board for approval in a convened meeting where the majority of the members of the board are present.
- Board seeks regulatory approval through the Chairman of the Board.
- Upon approval by the National Insurance Commission, the Director is presented to the Shareholders at a duly convened Annual General meeting for Election.
- The Director, following an election by the Shareholders id duly updated on the Company's Corporate Affairs Commission (CAC 7) and
- The Nigerian Stock Exchange is notified.

Prepared by:

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Donald KANU
Date: October 24, 2019
Group Company Secretary, AIICO Ins. Plc.

Approved and Accepted:

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Mr. Kundan SAINANI
Date: October 24, 2019
Chairman of the Board

The remuneration of the Company's Directors is hereby disclosed pursuant to Section 34(5) of the Code of Corporate Governance for public companies.

The remuneration policy of AIICO Group is designed to support key business strategies, create a strong, performance-oriented environment and at the same time attract, motivate and retain talent. The remuneration policy will take cognizance of the relevant Codes of Corporate Governance in Nigeria as well as leading governance practices with a view to ensuring adherence to the highest standards of Corporate Governance.

This policy reflects the Group's desire to sustain long-term value creation for shareholders. The policy aims to:

The key principles underpinning the remuneration policy are as follows:

a) Remuneration and reward strategies shall be set at levels that enable the company attract, motivate and retain the right skills required to efficiently manage the operations and growth of the business;

b) Performance goals of Directors shall be aligned to shareholders interest and ensure that Directors make prudent decisions in deploying the company's sources to generate sustainable growth;

c) The company's performance based incentive program for the executive management shall be aligned to individual performance and the overall performance of the Company. This approach drives a high performance culture that rewards individual contributions and the achievement of business results that enhance shareholder value;

d) The Company shall regularly benchmark its remuneration practices against peer organizations whose business profiles are broadly similar to that of the Company, using remuneration surveys, peer reviews etc.; and

e) The Company shall maintain a transparent remuneration process.

S/N	Remuneration	Description	Timing
1	Basic Salary	This forms part of gross salary paid to Executive Directors only	This is paid monthly during the financial year
2	13th Month	This is part of gross salary paid to Executive Directors only	This is typically paid in the last month of the financial year
3	Directors' Fees	This is Allowance paid to Non-Executive Directors only	This is paid in the last quarter of the year
4	Sitting Allowance	This is Allowance paid to Non-Executive Directors only	This is paid only after each Board meeting duly attended by a Director

1.0 Policy Purpose

We believe that the needs of our customers are our top priority and we are committed to providing our customers with quality services in the most effective and efficient way possible. AIICO Insurance Plc values feedback about its services and recognizes the right of all its customers to complain, compliment or make a suggestion. The policy is committed to ensuring that it uses customer feedback to help improve services and to focus on the needs of all our customers. The policy will endeavour to resolve complaints at the time they are brought to its attention to the customer's satisfaction.

2.0 Objectives

The objectives of the Complaints Management Policy are to:

I. Lay down the guidelines, procedures, best practices and minimum criteria for handling and redress of complaints received by AIICO from various sources in an effective, efficient, fair and impartial manner;
II. Provide guidance to the individuals who are responsible for handling and resolving complaints within AIICO;
III. Incorporate the knowledge gained through resolution of the customer complaints in the form of reengineering of the process;
IV. Adhere to SEC Rules Relating to the Complaints Management Framework of the Nigerian Capital Market, which requires every listed company to establish a clearly defined Complaints Management Policy, endorsed by Senior Management, to handle and resolve complaints.

AIICO shall deal properly with any reasonable complaint provided that it relates to a service or product provided.

3.0 Scope

This document sets out on how AIICO Insurance Plc manages and responds to complaints, comments and feedbacks from all customers.

4.0 Policy Elaboration:

We believe that the needs of our customers are our top priority and we are committed to providing our customers with quality services in the most effective and efficient way possible. AIICO Insurance Plc values feedback about its services and recognizes the right of all its customers to complain, compliment or make a suggestion. The policy is committed to ensuring that it uses customer feedback to help improve services and to focus on the needs of all our customers. The policy will endeavour to resolve complaints at the time they are brought to its attention to the customer's satisfaction.

5.0 Definitions

Complaints are one of the most direct and effective ways for the customer to relay to the businesses that there is a room for improvement and hence the Complaint Management policy is framed to redress the grievances of customers. For the purposes of this guideline, a complaint shall refer to a matter for which redress is being sought in relation to a product sold or offered for sale or a service offered or failed to be offered as per agreed terms. Any communication that expresses dissatisfaction about an action or lack of action, in the course of business, about the standard or deficiency of service of our company and/or any of our representative of the company shall be deemed to be a complaint.

According to the SEC Complaint Management Framework of the Nigerian Capital Market, the under listed complaints shall NOT be handled under the above context:

- Complaints against private wound up and liquidated companies
- Complaints on matters that are subjudice or in arbitration
- Complaints falling outside the purview of the Securities and Exchange Commission

6.0 Types of Complaints

Complaints shall be classified into the following categories:

I. Fraud and Suppression
II. Misrepresentation
III. Forgery
IV. Claims and Benefits Issues
V. Others as may be defined by the Complaints Management Committee

7.0 Commitment and Resources

The Board and Executive Management shall drive and commit to the handling of complaints from inception to conclusion. All other levels of management shall be committed to the laid down procedures and shall act through the Complaint Management Committee to ensure that these procedures are integrated into the culture of the organization and monitored for compliance purposes.

The Complaint Management Committee, saddled with the responsibility of executing the terms of this policy, shall sit on ad-hoc basis, with membership comprising of representatives of the following offices:

• Head of Ent. Risk Management	Chairman
• Customer Service (Life)	Secretary
• Customer Service (Non-Life)	Alternate Secretary
• Head Internal Audit	Compulsory Member
• Head Legal	Compulsory Member
• Head Sales and Agency Operations	Compulsory Member
• Head Business Unit (Non-Life)	Compulsory Member
• Head Business Unit (Ord. Life)	Compulsory Member
• Head Business Unit (Group Life)	Compulsory Member
• Chief Finance Officer	Compulsory Member

The management shall also ensure that:

I. All members of staff are educated about and familiar with the internal procedures
II. Adequate financial resources are allocated to complaints management and sufficient levels of authority are delegated to handle the process
III. Adequate systems are put in place and reporting procedures implemented to ensure timely, effective and consistent complaints handling and monitoring
IV. Reasonable steps are taken to ensure that customers know about the existence of the complaints handling mechanism and how to lodge complaints

8.0 Where to Lodge Complaints

Complaints may be lodged at/with any of the following touch points:

I. By email to aiicontact@aiicoplc.com
II. By surface mail to the head office.
III. By surface mail to the any of the branch offices.
IV. Call 0700AIICONTACT (0700 2442 6682 28) or 012792947-8.
V. Visit www.aiicoplc.com and follow the Customer Feedback link.
VI. Complaint via Customer Survey Feedback
VII. complaints@aiicoplc.com (Service and Efficiency Unit)

9.0 Resolution Procedure

These steps are to be followed in redressing grievances:

Step 1:

Registration of complaints received through any of our touch points - whether by email, customer feedback web link, in writing, in person or by way of telephone call.

Step 2:

I. Acknowledging complainant's letter/Claims notification within forty-eight (48) working hours of receipt which is usually carried out by 1st Line/Resolution Officers (First Stage).
II. Sending a closure and resolution letter alongside acknowledgement, where the matter is resolved within three (3) days.
III. Involvement of 2nd Level Support Officers/ Senior Management Level if the matter was not resolved at the first stage (Second Stage).
IV. Referring the Complaint to the Internal Complaint Management Committee if not resolved at the second stage (Third Stage).

Step 3:

Responsibilities of the Complaints Management Committee - the Committee shall be responsible for the following:

I. Scrutinizing the complaint communication on its receipt and understanding customers' grievances.
II. Identifying the complaint and classifying it to the correct complaint type or subtype for effective analysis.
III. Investigating the complaint with the relevant team(s) and available information and providing resolution to the customer.
IV. Sending request(s) to complainant for alternate contact details, where the complainant could not be reached and information that would aid investigation still pending or required.
V. Ensuring records of all complaints received are maintained and case facts documented in the complaints register, whether satisfactorily resolved or otherwise.
VI. Closing each complaint after resolutions. A complaint shall normally be settled within 14 working days from the date of the filing.

VII. Informing the customer in writing of the resolution and closure, where he/she is satisfied, by sending AIICO's final response to the complainant within the prescribed time limit.

Step 4:
In cases where the customer is not satisfied, he/she may be advised to further pursue redress with the Office of the Commissioner, National Insurance Commission, Plot 1239, Ladoke Akintola Boulevard, Garki II, Abuja (Fourth Stage).

Step 5:
In the event that the complainant is not satisfied at Step 4, he/she is at liberty to pursue further redress in a court of competent jurisdiction.

10.0 Communication Contents
All complaint letters must be acknowledged within 48 (forty-eight) hours of receipt and shall contain the following information:
I. Details of how complainant could keep abreast of the complaint status.
II. Name, designation and direct contact of the officer assigned for follow up purposes.
III. Complaints management and resolution procedures.
IV. Anticipated closure timeline.

The final response, where possible, shall indicate:
- The reasons or circumstances which have been considered for the settlement or non-settlement, as the case may be.
- A proposal, as appropriate, any offer or other means of settlement made to the complainant.

11.0 Service and Efficiency Unit
Service and Efficiency Unit has been setup within Customer Service department to address all unsatisfactory services, whether in terms of employee conduct or failure to meet the terms of the contract, shall be reported, considered and/or resolved.

12.0 Conditions for Resolution and Closure
The complaint shall be considered as closed & disposed-of when any of the parameters is met:
I. AIICO has acceded to the request of the complainant fully.
II. Where the complainant has indicated acceptance of AIICO's response.
III. Where the complainant, after two reminders are being sent and has not responded to AIICO within four (4) weeks of receiving the letter of resolution and closure.
IV. Where the Company Secretary/Legal Adviser/Chief Compliance Officer certifies that AIICO has discharged its contractual, statutory and regulatory obligations.
V. Where the customer approaches with a fresh complaint after a letter of resolution and closure has been sent.

13.0 Complaints Record Keeping and Reporting
A written report shall be rendered at the monthly Executive Management meeting following Committee sittings.

All relevant business units shall open, update and maintain e-registers for every complaint handled.

The register shall basically contain the following prescribed components:
I. Name of the complainant
II. Date of the complaint
III. Nature of complaint
IV. Complaints details in brief
V. Remarks/comments.

AIICO shall compile and render electronic copies of this report to the relevant authorities on a quarterly basis at lr@nse.com.ng.

Managing Director/Chief Executive Officer's Statement

'We remain committed to delivering superior returns to our shareholders whilst providing risk protections and wealth preservation services for our customers.'

Dear Esteemed Shareholders,
Welcome to the 52nd Annual General Meeting of our Company AIICO Insurance Plc. It is an honour to present our company's performance for the financial year 2021 and share our expectations for 2022. Despite the challenging business environment, I am pleased to inform you that we remained on course in our commitment to creating accelerated value for you, our shareholders.

Babatunde Fajemirokun
MD/CEO

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S STATEMENT

Over the course of the year, we remained determined to maintain the industry leadership position through a customer-centric and value-driven approach to business. Our business performance continued to be hinged on 4 key themes - digital first, compelling customer experience, highly motivated workforce, and best fit products. With strategic focus on these themes, we were able to deliver a strong performance in the financial year 2021.

We remain committed to delivering superior returns to our shareholders whilst providing risk protections and wealth preservation services for our customers; giving them the confidence to live in midst of uncertainties. This annual report therefore seeks to highlight our successes and challenges in attaining these objectives.

Group Performance

Gross written premium grew by 15.7% y-o-y to ₦71.7 billion in FY 2021 (FY 2020: ₦62.0 billion). This growth comprises of a y-o-y growth of 36.1% in General Insurance to ₦19.0 billion (FY 2020: ₦14.0 billion) and Life Insurance premium growth of 9.8% y-o-y to ₦52.0 billion (FY 2020: ₦47.3 billion). Premiums from our Health Maintenance Organisation (HMO) however declined by 2.5% y-o-y to ₦644.9 million (FY 2020: ₦661.3 million). Management fees in Asset Management increased by 1.6% y-o-y to ₦397.2 million (FY 2020: ₦390.8 million).

Profit before income tax from continuing operations declined to ₦2.8 billion y-o-y in FY 2021 (FY 2020: ₦4.6 billion) as profits declined from our annuity business (due to reduced volumes from the change in regulation) and in our Group Life and General Insurance businesses as operating income (specifically investment income) declined in both businesses. Profit before tax from our Asset Management business declined by 27.2% due to the decline in investment income and other income while profit before taxes from our HMO business declined by 89.8% y-o-y. Benefitting from the profits realized in the partial sale of AIICO Pensions, profit recorded for the year was ₦4.9 billion (FY 2020: ₦5.2 billion).

Review of statement of financial position
Total assets declined by 8.5% to ₦222.3 billion as of FY 2021 (FY 2020: ₦243.1 billion) driven by a reduction in financial assets (-8.7%; 77.2% of total assets) and

'Gross written premium grew by 15.7% y-o-y to ₦71.7 billion in FY 2021 (FY 2020: ₦62.0 billion). This growth comprises of a y-o-y growth of 36.1% in General Insurance to ₦19.0 billion (FY 2020: ₦14.0 billion) and Life Insurance premium growth of 9.8% y-o-y to ₦52.0 billion (FY 2020: ₦47.3 billion). Premiums from our Health Maintenance Organisation (HMO) however declined by 2.5% y-o-y to ₦644.9 million (FY 2020: ₦661.3 million). Management fees in Asset Management increased by 1.6% y-o-y to ₦397.2 million (FY 2020: ₦390.8 million).'

cash and cash equivalents (-20.0%%; 11.5% of total assets). Financial assets declined because of the significant increase in FGN bond yields during the year.

Total liabilities declined by 11.7% to ₦184.1 billion as of FY 2021 (FY 2020: ₦208.4 billion). This was driven mainly by a decline in insurance contract liabilities (-12.0%: 65.0% of total liabilities) from the rise in yields and reserving for new business and fixed income liabilities (-23.5%: 17.9% of total liabilities) in our asset management business. Both insurance contract liabilities and fixed income liabilities account for 82.9% of total liabilities. Total equity increased by 10.7% to ₦38.3 billion as of FY 2021 (FY 2020: ₦34.7 billion).

Company performance

General Insurance

General Insurance growth was driven by an expansion in all our product lines except agriculture insurance. Most significant contribution was from Special Oil at 22.8% of total premium generated in General Insurance.

The recorded growth in Special Oil reflects the increased confidence in our ability to underwrite large risks which stems from sustained growth in shareholders' funds, a key focus of our strategy. In addition to Special Oil, Fire (19.8% of General Insurance premium) and Marine (21.0% of General Insurance premium) contributed most significantly to the growth in 2021, growing by 28.9%, and 72.2% y-o-y respectively as of FY 2021.

Underwriting profit grew by 34.9% y-o-y to ₦1.5 billion in FY 2021 (FY 2020: ₦1.1 billion); however, investment and other income in the business declined by 38.0% y-o-y to ₦1.8 billion (FY 2020: ₦2.9 billion) reducing net operating income and profitability despite the improved claims ratio (48.1% vs 61.7% in 2020) and operating expense ratio (51.7% vs 56.6% in 2020) in 2021.

Life Insurance

Life Insurance portfolio performance was driven by the 20.0% growth in Ordinary Life (84.1% of total Life Insurance) to ₦43.7 billion (FY 2020: ₦36.4 billion) and 15.8% growth in Group Life (11.6% of the Life business) to ₦6.0 billion (FY 2020: ₦5.2 billion). Our efforts to diversify our portfolio means that even though the PENCOM-regulated annuity segment of the market has contracted in 2021 because of regulatory changes, the cash generating capacity of our channels has remained robust.

Changes in sovereign bond yields significantly impacted the value of our liabilities and assets. These movements are reflected in the change in Ordinary Life and Annuity Funds as well as fair value/realized gains or losses on the income statement. In the Life business, we are typically concerned about whether there is a surplus or deficit of assets over liabilities because of these movements. However, due to limitations in financial reporting, changes in liabilities affect underwriting profit while changes in assets are reported below underwriting profit. The effect is the significant variation in underwriting profits especially in volatile investment yield environments, such as we have in Nigeria. Over the period under review, the reference interest rate (the yield on the FGN 2049 bond) with which we value our liabilities rose by 5.42% leading to a reduction in the fair values of assets and liabilities. The reduction in liabilities led to positive underwriting profit while the reduction in assets is reflected in the fair value losses for the year.

Subsidiary business

AIICO Multishield, our HMO business recorded total gross written premium of ₦644.9 million for FY 2021. Underwriting Income, including fees increased by 4.4% y-o-y to N950.6 million (FY 2020: ₦910.8 million). However, net claims ratio rose by 4%. Profit for the period also decreased by 85% to ₦8.2 million (FY 2020: ₦54.1 million).

AIICO Capital, our assets management subsidiary recorded a Net operating income (including investment and other income) of ₦1.9 billion, reflecting a 36.7% decline from the previous year (FY 2020: ₦2.9 billion). This was driven by lower investment income and other trading income. However, our cost to income ratio improved (62.3% in 2021 vs 64.7% in 2020) and return on average equity remains robust at 32%.

In 2021, we completed the partial sale of our subsidiary- AIICO Pension Managers Limited. This move was made to enable us focus more on our core business of providing risk management through our insurance companies (Life, Non-Life and Health). This sale was at a profit to our shareholders.

Leaping Ahead via Strategic Differentiation and Execution

We completed the third year of implementing our 5-year strategic plan that was developed in 2019. The plan was developed with the core aspiration of taking **AIICO Above and Beyond for Profitable Growth.** Despite the Covid19 challenges in the last 18-months of implementation, we have achieved remarkable milestones.

We made significant progress in our digital journey. We launched AIICO Ella, an AI driven chatbot in August 2021. Ella has been deployed on WhatsApp, Facebook, Telegram and Website. Customers can now submit feedback, report a claim and initiate purchase via Ella. This solution has made it easier for customers to reach us and experience superior service when they interact with AIICO.

We also launched our mobile app - **AIICO Express** to support our sales force to serve our growing customer base better and faster. The mobile application enables our agents provide quotes, report claims, manage renewals for both life and Non-Life products through their mobile phones and tablets.

AIICO is **driving business expansion through partnerships** in the areas of sales & product distribution, claims services, payment collection and others to enable us to serve our customers better. We are also expanding our insurance coverage into key sectors like agriculture, transportation, and others through strategic partnerships with key players in these sectors.

We also continued to advance our Customer Experience (CX) capability to enable us better understand customers' evolving needs and expectations throughout the pre and post purchase journey. Feedback is used to effect incremental improvements in our service delivery and re-image our processes for better service outcomes.

Strategy

In a market with a rapidly changing external environment, there is a need to continually review the needs of our target customers. We structure our business along retail and corporate lines, then develop value propositions to meet the unmet needs of various customer segments. This needs-based approach to product development ensures we adopt a more evolved customer centric framework for product design. **This means we spend more time understanding the peculiarities of each individual segment, using research, feedback from surveys, market insights, engagements with our agents and focus groups.** This empowers our product development team with the right tools to create tailored products that are best fit and well suited to the respective customer segments.
Another key area of strategic focus is product mix. Generally we strive to ensure we maintain a balanced portfolio but more importantly seek to sell what customers require based on our need-based approach. The critical element driving this is our ability to link activities in the external environment (which borders on volatile, uncertain, complex, and ambiguous trends), with the impact they have on customers. The process does not stop here as we continue to monitor and address their needs as the environment changes.

> **'AIICO is driving business expansion through partnerships in the areas of sales & product distribution, claims services, payment collection and others to enable us to serve our customers better.'**

People

We recognize that our people are our greatest asset, and essentially the driving force behind our achievements and growing successes. We believe that if people like what they do, they will do it passionately. As a result, we have created an environment where AIICO employees look forward to coming to work and providing great service to customers.

As a company keen on future proofing its business operations and workforce, we would continue to strengthen our people in key areas we consider significant - Asset Liability Matching, IFRS 17, Investments, Strategy, and Risk management.

During the year, we deployed several initiatives that helped create a purpose driven organisation. In 2021, we partnered with Leapfrog Talent Accelerator to deploy a Talent Assessment Programme for our Senior Leaders. The programme enabled us to create a steady pipeline for key Executive roles and ensure availability of leaders during the transitionary period.

Also during the year, we became a recipient of the IFoA Quality Assurance Scheme (QAS), the first company in Nigeria (and West Africa) to be QAS accredited! This feat was achieved in recognition of our commitment to providing quality assurance at an organisational level, promoting confidence in the work of our actuaries; and demonstrating our commitment to high-quality actuarial work and supporting employees carrying out that work.

We would continue to invest in our people and provide exciting opportunities for them to develop their careers. Our distinctive culture that values agility, entrepreneurial drive, rigour and collaboration, will continue to remain center to our people strategy and overall corporate values.

Execution

During the year under review, deliberate actions were taken to ensure better risk selection, adequate technical underwriting/pricing and prudent reinsurance arrangements, which led to an improved underwriting performance. These achievements were largely driven by technical teams with oversight by a Technical Committee.

As AIICO has a significant long-term business, there is a need for a mature Asset Liability Management (ALM) process which is essential for the Company in terms of shareholder objectives of value creation and value protection. AIICO's ALM framework sets out a range of asset-liability matching approaches. These include deterministic approaches such as cash flow matching, duration matching, convexity matching as well as stochastic approach using Monte-Carlo simulations. This has led to improved immunization of the long-term portfolio within the Company's duration risk appetite protecting solvency. This is achieved by an ALM team with actuarial bias, and corresponding oversight by an ALM Committee.

In addition to the above actions, AIICO has taken a proactive approach to ensure the successful implementation of the requirements of the IFRS 17 standard. In 2021, AIICO achieved a number of milestones on the journey towards implementing IFRS 17- completion of the operational and financial impact gap assessment, review of existing actuarial models to produce IFRS 17 cashflows, system design and target operating model reviews. This was achieved by engaging the services of expert consultants to assist with various phases of the project as well as efforts of the project team and steering committee set up in the previous year.

We are consolidating these efforts in 2022, with plans to achieve a complete and fully tested, end-to-end IFRS 17 reporting system and framework by the end of Q3, 2022.

I am pleased to announce that we are well ahead of the curve when it comes to milestones achieved, judging by the roadmap and timeline set by NAICOM for the Nigerian insurance industry.
With respect to process improvements, we continued to assess critical internal operational processes to identify opportunities for automation, streamlining and optimization. This will help establish more efficient systems, better productivity and subsequently improve service delivery and convenience for our customers.

"We are focused on growing our business while remaining profitable. We will enhance our technical capabilities to ensure our portfolio remains profitable and continues to create value for our distinguished shareholders."

Looking ahead

Dear Shareholders, the Nigerian insurance market continues to provide ample opportunities for growth, and we are very optimistic about AIICO's prospect in this market and also within Africa. Our market positioning and deep understanding of the market needs strengthens our ability to provide best fit tailored products and gives an unmatched competitive edge.

The Nigeria economy is projected to grow at an average of about 3% in 2022. As an oil dependent country, the movement in oil prices as well as oil regulations due to continued escalations across the Middle East and even Europe will impact the economic condition of our country - Nigeria. As we approach the 2023 general election, it is expected that there will be pre-election spending in 2022 that will drive up the level of cash in circulation as well.

Amid all these, AIICO will continue to monitor the market and economic situation and take proactive decisions in the best interest of our customers, shareholders and other key stakeholders.

For our customers, we will continue to expand our products and services to support their personal well-being and businesses. AIICO is positioned to be there for you when you need us. We are creating more online and offline channels to always serve you faster and more seamlessly.

For our employees, we understand that our people are our greatest asset. We are committed to creating an enabling environment for them to work efficiently, upskill and flourish. We will continue to invest in their wellness and support them to live high-quality lives.

For our shareholders, we are focused on growing our business while remaining profitable. We will enhance our technical capabilities to ensure our portfolio remains profitable and continues to create value for our distinguished shareholders.

The year ahead definitely presents a defining opportunity for us to advance the execution of our vision- **to be the dominant insurer in Sub Saharan Africa, built on deep understanding of customer needs and world-class digital experience.**

Finally, AIICO as a responsible corporate entity will ensure that it conducts its business with minimal impact on the environment. We will continue to support initiatives targeted at increasing society welfare such as gender equality, education, health and sports.

I would like to end by thanking all our customers, agents, brokers and business partners for their continuous patronage and trust in our ability to deliver quality products and services. My appreciation also goes to our shareholders for their belief in the Company and trust in the ability of the business to create value.

Babatunde Fajemirokun
MD/CEO

HR Activities/Initiatives 2021

Developing our Leaders & Planning for tomorrow

In 2021, we partnered with Leapfrog Talent Accelerator to deploy a Talent Assessment Programme for our Senior Leaders. The programme enables us to create a steady pipeline for key Executive roles and ensures availability of leaders during the transitionary period.

We also invested in our leadership development programme partnering with LeapFrog to deploy an Executive Accelerator leadership programme. The programme will further equip our executives with leadership skills needed to tackle the ever-changing challenges faced by fast growing organizations within emerging markets.

Caring for our People

We have continued to focus on ensuring the health, safety, and engagement of our people, in line with our people strategy.

In 2021, we modified our operations to a rotational/hybrid work arrangement to maintain our remote working and provided employees with requisite work tools. For those that work from the office, we maintained an early closing time enabling our people have a work-life balance.

To ensure our people are continually engaged and to maintain a healthy workforce, AIICO deployed hybrid aerobic sessions across all locations. We also partnered with a reputable gym and fitness company to provide gym access at a highly subsidized rate to all staff.

Developing our People

We continue to create an enabling learning environment for our employees with investment in technology, professional qualifications, and other learning activities across the business.

Employee adoption of our user-led Learning Management System (K-HUB) increased by 95% in 2021. The platform doubles as a knowledge management system, allowing employees to share, store and access useful information & support that empowers them to achieve personal and business objectives.

In addition, our learning week was a fun-packed week of training to rebrand learning in the workplace, stimulate employees' interest in learning, learn about new types of training and of course improve the business knowledge. The learning week gained global recognition featuring on the Chartered Institute of Insurance UK platform.

International Accreditation Achievements

In May 2021, we became a recipient of the Institute and Faculty of Actuaries (IFoA) Quality Assurance Scheme (QAS), the first company in Nigeria (and West Africa) to be QAS accredited! This feat was achieved in recognition of our commitment to providing quality assurance at an organisational level, promoting confidence in the work of our actuaries; and demonstrating our commitment to high-quality actuarial work and supporting employees carrying out that work.

We also became an Approved Employer under the ACCA Approved Employer Programme. The Programme recognises employers' high standards of staff training and development, to which AIICO proved commitment to ensuring ACCA students, affiliates and members have the right skills, ethics and competences to add value and drive the business forward.

Purpose

AIICO Insurance Plc ("AIICO" or the "Company") recognizes its talented and diverse workforce as a key competitive advantage. Our business success reflects the quality and skill of our people. AIICO is committed to seeking out and retaining the finest human talent to ensure top business growth and performance.

The Workforce Diversity Policy aims to create a workforce that is fair and inclusive and seeks to retain and attract the best people to do the job.

This policy provides guidance for all people practices across AIICO as a Group, including but not limited to those programs and initiatives specifically aimed at recognition and promoting workforce diversity.

Scope of the Policy

Diversity management benefits individuals, teams, our Company, and our customers. We at AIICO, recognize that each employee brings their own unique capabilities, experiences, and characteristics to their work. We value such diversity at all levels of the Company in all that we do.

AIICO believes in treating all people with respect and dignity. We strive to create and foster a supportive and understanding environment in which all individuals realise their maximum potential within the Company, regardless of their differences.

We are committed to employing the best people to do the best possible job. We recognize the importance of reflecting the diversity of our customers and markets in our workforce. The diverse capabilities that reside within our talented workforce will enable the Company to anticipate and fulfil the needs of its diverse customers, both domestically and internationally.

Values & Commitments

AIICO is committed to providing a safe and professional work environment where people feel valued, respected, and are treated fairly. This policy contributes to AIICO's ability to attract and retain the best people by seeking and utilizing employees with diverse views and experiences.
Policy

Definition

Diversity is a term used to describe the differences and uniqueness of all people. This may include skills, knowledge, experiences and perspectives of individuals or groups. It can refer to demographic characteristics, such as age, gender, sexual orientation, religion or national origin or social origin and can also be recognized by personal characteristics such as disability, medical condition, pregnancy or potential pregnancy and any other characteristic of an individual.

Guiding Principles

AIICO Insurance Plc's diversity initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits, training and professional development; promotions; transfers; terminations; and continuous development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation and;
- Work/life balance

The guiding principles promote awareness and proactive management practices regarding workforce diversity and how this is applied across the Company:

- A diverse workforce is a competitive advantage in retaining and attracting the best people to improve our business performance.
- A skilled workforce that reflects the diversity of our customers and communities.
- The experience of work for employees is to be inclusive and respectful of individual differences, including but not limited to, family responsibilities.
- Awareness of the rights and responsibilities of individuals with regards to equity and respect for others is important for all employees.
- Promoting a work environment that values seeking and utilising the contributions of employees with diverse views and experiences.
- AIICO values practices that provide access to development and promotional opportunities, with final decisions based on merit.
- Promoting AIICO culture throughout the Company to achieve positive business outcomes, including inclusiveness and meritocracy, is a part of every employee's role.

Recruitment

AIICO recruits' people from all around the globe. We believe that our employees from many different cultural, linguistic, and national backgrounds provide us with valuable knowledge for understanding complex international markets.

Career development and promotion

AIICO rewards excellence and all employees are promoted based on their performance and vacancy of higher responsibility. All managers are trained in managing diversity to ensure that employees are treated fairly and evaluated objectively.

The Board of AIICO

The Board should assume responsibility for its composition by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity, and independence to discharge its governance role and responsibilities objectively and effectively.

The Board should promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance. These attributes include field of knowledge, skills, and experience as well as age, culture, and gender.

This policy should help the Board to govern this process and establish measurable objectives for achieving diversity in gender and other areas.

The Board should periodically invigorate its capabilities by ensuring the appointment of new members with relevant skills and fresh perspectives, while retaining valuable knowledge, skills, experience, and diversity, and maintaining continuity.

The Board should approve the criteria for appointing Directors, as recommended by the Committee responsible for nomination and remuneration. Such criteria should take into careful consideration the strengths and weaknesses of the existing Board, integrity, required competence and skills, knowledge and experience, capacity to undertake the responsibility as well as diversity, including gender diversity.

Diversity practices

All employees must undergo diversity training. Diversity training encompasses raising awareness about issues surrounding diversity and developing diversity management skills.
AIICO provides a safe and pleasant environment for our employees. We offer:

- Flexible working time arrangements
- Employee education assistance
- Employee network and support groups
- Open communications

Responsibility for Workforce Diversity

The Nomination and Remuneration Committee ("the Committee") will be responsible for reviewing and making recommendations to the Board on workforce diversity practices.

Management will also have the responsibility for managing local practices and ensuring adequate understanding of this policy exists across the span of responsibility.

Management shall be responsible for acting in alignment with and upholding the principles of this policy.

All employees of the Company shall bear the responsibility to comply with this Diversity Policy and any other associated policies.

Governance

As part of the Company sound and practical corporate governance, the Company shall give due regard to:

- AIICO's Corporate Governance Principles.
- The Financial Reporting Council's Nigerian Code of Corporate Governance 2018
- AIICO's Policy on Sexual Harassment.
- The companies and Allied Matters Act 2020.

Diversity Initiatives Measurement and Reporting

AIICO will monitor the performance of the diversity initiatives using appropriate measures and targets. Progress will be reported and monitored by the Nomination and Remuneration Committee and reported in accordance with the Governance section of this policy.
The Executive Management will, as appropriate, be assigned specific aspirational goals in relation to the diversity initiatives set by the Board.

Policy Review

The Nomination and Remuneration Committee will review the policy every two years and make recommendations to the Board as to any changes it considers should be made.

Disclosure

The Board will make appropriate disclosure of this Policy in the company's Annual Report. This will include outlining specific objectives regarding gender diversity, as set out in the company's Corporate Governance Principles.

Contact

Any questions relating to the interpretation of this Policy should be directed to the Group Head, Human Resources & Admin., or the Company Secretary/ Group Head, Legal & Compliance.

[APPROVED BY THE BOARD OF DIRECTORS ON]

Appendix I
Diversity Targets/Goals for 2021-2022

1. Overall increase to 30% female on the Board.
2. Increase female in executive management to 20%
3. Increase female in senior management position to 20%
4. Hire at least two disabled individuals as employees.

Babatunde Fajemirokun
Managing Director/Chief Executive Officer

Skills and Experience
Mr. Babatunde Fajemirokun is the Managing Director and CEO at AIICO Insurance PLC, a position he assumed on August 14th, 2019.

With decades of professional experience cutting across management consulting, insurance, and asset management, he joined AIICO Insurance PLC, Life Insurance Division in May 2009, and was responsible for value-enhancing projects in its maiden growth strategy, business process and technology transformation projects.

Prior to AIICO, he worked with Accenture, Lagos (2003 - 2007), and then Capgemini Consulting, UK (2008 - 2009). In both roles, Babatunde provided consulting/advisory services to Financial Services and Government Clients, predominantly in mergers and acquisitions, and then United Kingdom Government transformation programmes.

He also has external appointments as a Non-Executive Director in AIICO Pension Managers Limited, Food Concepts Plc and Xerox Corporation Nigeria (XHS).

Educational Background
Babatunde is a Chartered Insurer (ACII UK & ACIIN), and has an MBA from the University of Chicago Booth School of Business (2013), a Business Information Strategy Master's degree (dist.) from the University of Strathclyde (2002), and a Bachelor's Degree in Business Economics from Glasgow, UK (2000).

Adewale Kadri
Executive Director, Technical

Skills and Experience
Adewale Kadri is an Executive Director on the Board of AIICO Insurance Plc. He is a versatile Insurance practitioner and a seasoned salesperson. He began his Insurance career with Worldwide Insurance Company Limited in 1994 as a Life Marketer and later moved to ELMAC Assurance Nigeria Limited in 1997 where he joined the team that was saddled with the responsibility of marketing the Company's various special packaged products. He also worked as an Insurance Officer of Modandola Group of Companies where he was exposed to the rudiment of Insurance broking and technical operations.

He later joined the marketing team of Newline Insurance Company Limited and Sun Insurance Plc. where he worked in various managerial capacities before joining the pioneer team of UBA Insurance in 2004 as Group Head, Brokers' Management Division. While at UBA Insurance, he served in various committees which ensured the successful take off of the first Bancassurance Business Model in Nigeria.
He had a brief stay at NICON Insurance Plc as Senior Manager/Head, Strategic Business Unit before joining Oceanic Insurance Company Limited as Group Head, Brokers Management Unit in 2007.

Wale was the Acting Managing Director of Oceanic Insurance Company Limited/Old Mutual Nigeria General Insurance between July 2012 and April 2014. He left the services Old Mutual Nigeria as Business Development Executive in April 2017 and joined AIICO Insurance Plc as General Manager, Head of Non-Life Business.

Educational Background
He is a Fellow of Chartered Insurance Institute of Nigeria (CIIN) and a Chartered Certified Accountant. He holds a B.sc in Applied Accounting from Oxford Brookes University, United Kingdom and Master's Degree in Business Administration with specialization in Marketing from Lagos State University, Ojo. He received a Certificate of competence in Management Advancement Programme from University of the Witwatersrand, Johannesburg, South Africa.

Management Team

Sola Ajayi
Executive Director,
Group Retail Business Division

Skills and Experience
Olusola is an experienced business leader with over fifteen years' leadership positions in management consulting and insurance in Nigeria and the United Kingdom. He joined AIICO in 2009 as head of the Business Strategy and Transformation teams.

In 2013, 'Sola assumed leadership of the retail life insurance business, and has led the transformation of the agency business, by deploying cutting-edge solutions and enabling capabilities which has resulted in significant growth in the company's annual premiums and asset under management (AUM).

Prior to joining AIICO, he worked at the prestigious consulting firm Accenture (Lagos) in the Financial Services market unit, before joining Deloitte Consulting (London, UK). As a business consultant in both firms, he supported/led business transformation initiatives in Strategy, Process Optimization and Technology Deployments.

In this new position, he will oversee the Group Retail Division, with a mandate to drive growth across the group retail businesses and retaining AIICO as an industry leader.

Mr. Olusola currently serves as Chairman of the Board of AIICO Multishield Limited, the Group's Health Maintenance Organization (HMO).

Educational Background
He holds an MBA from INSEAD and obtained his first degree in Chemical Engineering from the University of Lagos. Sola is a certified Project Manager as well as a Senior Member of the Chartered Insurance Institute of Nigeria.

Abiodun Adebanjo
Chief Risk Officer

Skills and Experience
Abiodun Adebanjo is a seasoned Audit Executive with an impressive track record of more than two decades of hands-on experience in financial services industry. Prior to joining AIICO Insurance Plc. in 2010 as the Chief Audit Executive, Abiodun served in various operational and managerial capacities in reputable and top rated Banks in Nigeria which include Ecobank Nig. Plc, Diamond Bank, UBA Plc and First Bank.

His experience in the financial sector spans over 20 years, covering Banking Operations, Cash Management Services, Operational Risk Management, Internal Audit and Control, Abiodun has shown strong professional bias for Audit and Risk Management. He is highly numerate and possesses strong passion for excellence and organizational transformation.

He is an excellent team player and a highly motivated professional imbued with a strong spirit for achievement.

Educational Background
Abiodun holds a Bachelor of Science degree in Mathematics and Statistics from the University of Lagos with a first-class grade and the overall best student from the Faculty of Science. He earned an MBA in Business Management (Finance and Accounting) from the prestigious University of Liverpool, UK.

He is a professional member and Fellow of the Institute of Chartered Accountants of Nigeria (ICAN); a member of Chartered Institute of Taxation (CITN); a member of the Institute of Internal Auditors; and a member of Nigeria Institute of Management Chartered (NIMC).

He has attended several Leadership and Executive development programmes, both local and International one of which was the Executive Management Programme of Wharton School of Business, University of Pennsylvania, USA. He is also a certified ISO 22301 and ISO 27001 Lead Implementer and Lead Auditor.

Joseph Oduniyi
Head, Corporate Business

Skills and Experience

Mr. Joseph Oduniyi is the Head of Non-Life Technical at AIICO Insurance Plc. Prior to joining AIICO, he had garnered significant experience serving with the Ministry of Works and Housing, Oyo State, The Nigerian Life & Pensions Consultants, Glanvill Enthoven & Co Nig. Ltd, Union Commercial Insurance Brokers and Risktech Insurance Brokers Limited respectively.

He is an astute insurance professional with a wealth of experience cutting across all aspects of the non-life business and has attended many courses and seminars both locally and internationally.

Educational Background

He holds a Bachelor's Degree in Insurance from the University of Lagos and is professionally affiliated to the Chartered Insurance Institute of Nigeria and London.

Oladeji Oluwatola
Chief Financial Officer

Skills and Experience

Mr. Oladeji Oluwatola started his career with KPMG in 2004 as an audit trainee, where he rose to lead audits of various companies in the financial services sector covering insurance, banks, funds and pension fund administrators (PFA), including three of the biggest insurance companies and PFAs in Nigeria. He left KPMG in 2017 to join Letshego Microfinance Bank Limited, a member of one of the leading microfinance banks in Africa, as its Chief Financial Officer, before leaving Letshego in 2018 to join AIICO Insurance PLC as its Chief Financial Officer.

Educational Background

Mr. Oladeji Oluwatola holds a Bachelor's Degree in Applied Geophysics from Obafemi Awolowo University, and a Master's Degree in Business Administration from the Lagos Business School. He is a Chartered Accountant with more than fifteen years' experience in audit, finance and risk management. He is a Fellow of the Institute of Chartered Accountants of Nigeria, ICAN.

Donald Kanu
Company Secretary

Skills and Experience

Donald Kanu is the Company Secretary/Legal Adviser at AIICO Insurance Plc. He commenced his career with Savannah Bank and then moved on to join A.U. Kalu (SAN) and Associates.

He was recruited back to the financial services sector where he worked with UTB Trustees and Fidelity Bank respectively. He later left Fidelity Bank to join Globacom, a telecommunications company. After his period in the telecommunication industry, Donald moved back to the financial sector when he joined the Cornerstone group as the Company Secretary/Legal Adviser and Chief Compliance Officer. He was recruited to join AIICO from the Cornerstone Group in 2014.

Educational Background

Donald graduated from University of Calabar and later went on to pursue a Master's Degree in Business Administration from the same University. He later proceeded to obtain an LL.M from the University of Lagos.

Donald has attended several capacity building courses both within and outside the country.

He is a member of the Nigerian Bar Association, the Institute of Chartered Secretaries and Administrators and a member of the Institute of Directors.

Olusanjo Shodimu
Head, Shared Services Division

Skills and Experience

Olusanjo Shodimu started his career in 2003 as a technical sales lead with a local software company in Lagos, before joining Broad Bank Nigeria Limited (now part of Union Bank) as a Technology Analyst - where he was responsible for network operations and service delivery.

Prior to joining AIICO Insurance Plc, he worked with Accenture - a global management consulting and technology company for 10 years (2004 - 214) where he led the delivery of various strategy and business transformation projects for major banking and insurance clients in Nigeria and across the West African region. Olusanjo joined AIICO in June, 2014 as Chief Information Officer with responsibility for providing strategic leadership for the development and implementation of information technology initiatives to deliver on the strategic mandates and objectives of AIICO. In 2019, he was appointed Divisional Head, Shared Services which encompasses Technology & Operations, Customer Service, Strategic Marketing & Communication, Strategy & Corporate Planning and Estate Management - with responsibility for aggregating group synergies for cost optimization and returns on investment.

Educational Background

He holds an MBA from University of Chicago Booth School of Business and a First Class degree (Hons) in Physics from the University of Ibadan. He is a qualified Project Management Professional, an ITIL Service Management Expert (UK) and also holds a Diploma in Insurance (CII) from the Chartered Institute of Insurance, UK (ACII).

Iyabo Adeniran
Head, Group Life

Skills and Experience
Mrs. Iyabo Sarah Adeniran is the Group Head, Brokers Management for the Non-Life Business of AIICO Insurance Plc. She joined AIICO in August 2007, after the mergers between AIICO Insurance and Nigerian French Insurance (NFI).

Prior to joining NFI, Iyabo was a Senior Manager with Confidence Insurance Plc. Iyabo began her career in the insurance industry with Triumph Insurance Brokers. She left Triumph Insurance Brokers to join Prudential Union Company Limited. She was with Prudential for six years as a Senior Manager before she moved on to Confidence Insurance Plc.

Educational Background
Mrs. Adeniran holds a Masters of Business Administration from the Federal University of Technology Akure. She is an Alumna of Lagos Business School and a professionally certified Insurance Practitioner.

Titi Okunlola
Head, Technical, Retail Business

Skills and Experience
Titilola Ramota Okunlola started her career in 1996 as a Senior Superintendent (Underwriting) with Elmac Assurance (Nigeria) Limited, before joining Lasaco Assurance Plc as a Senior Manager (Technical Operations) - where she was responsible for technical operations of Life, Pensions & all Classes of Non-Life Business.

Prior to joining AIICO Insurance, she worked with Cornerstone Insurance Plc. (2007 - 2008) as a Sectional Head - Underwriting (Mainland Brokers Market) where she was responsible for underwriting Non-Life Businesses

Titilola joined AIICO in September 2008 as a Senior Manager - Technical department AIICO General Insurance Company Ltd.

In December 2013, she was appointed Head, Claims & Benefits - Life Business Division.

Educational Background
She holds a Master of Business Administration MBA (Executive) from the University of Uyo, Nigeria, and a Higher National Diploma in Insurance with Distinction from the Polytechnic, Ibadan, Nigeria. She is a Fellow of the Chartered Insurance Institute of Nigeria (FCIIN) and an Alumna of the Lagos Business School (LBS).

Ezekiel Olukolajo
Head, Technical, Corporate Business

Skills and Experience

Ezekiel Olukolajo started his career in 1999 as an Assistant Superintendent, Warri Branch with Law Union & Rock Insurance Plc - where he coordinated Underwriting of Marine, Motor & General Accident Policies and assisted the Branch Manager in the day-to-day running of the Branch.

He also put in various years of work experience with Royal Exchange Assurance, UBA Insurance Company, UBA Plc, Old Mutual Nigeria and Standard Alliance Insurance Plc, all at various leadership levels.

Prior to joining AIICO, he worked with The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) - A Corporation of the Central Bank of Nigeria, where he played key roles in activation and operationalization of the Insurance Facility Pillar, which is one of the five pillars of NIRSAL.

Ezekiel joined AIICO in October 2017 as a Principal Manager (Head, Technical), Non-Life Business.

Educational Background

He holds a Postgraduate Diploma Education in Management & Administration from Lagos State University, Ojo, Nigeria, and a Higher National Diploma in Insurance with Upper Credit from the Polytechnic, Ibadan, Nigeria. He is a certified Insurance Practitioner (Associate, Chartered Insurance Institute of Nigeria - ACIIN).

Akinsola Akinsola
Head, Oil & Energy

Skills and Experience

Akinsola is a seasoned executive with over two decades of experience in Insurance practice which cut across loss adjusting, claims operations, branch management and regional operations.

Prior to AIICO, Akinsola worked with International Loss Adjusters, Sovereign Trust Insurance Plc, Oceanic Insurance and Old Mutual Nigeria where his impressive achievements were rewarded both locally and internationally.

He has attended several courses on insurance underwriting, risk management, marketing & sales at various stages of his career.

Educational Background

Akinsola Akinsola holds BA (Hons) degree in Philosophy from Ogun State University, MBA from Adekunle Ajasin University and Master of Managerial Psychology from the University of Ibadan. He also holds Masters of International Law & Diplomacy and a Master's degree in Political Science, both from the University of Lagos. He is an Associate of Chartered Insurance Institute of Nigeria (CIIN), Nigerian Council of Registered Insurance Brokers (NCRIB) Nigeria Institute of Management (NIM) and an Alumnus of the prestigious Lagos Business School.

Oladele Akanni
Regional Manager, North

Skills and Experience
Oladele Akanni has over 20 years insurance industry experience spanning Risk management, Relationship management at Senior to strategic management level.

He started his insurance career at International Insurance Brokers, Kano in 1996 and later moved to Standard Alliance Insurance plc in 1997 as its pioneer Kano manager. In 2007, he moved to Head office of Standard Alliance insurance as Group Head, General Business Team and grew to become the Divisional Head, Business Development Division.

In 2014 he was transferred to Abuja as the Regional manager, Northern region. He joined AIICO Insurance plc in 2016 as Regional Head, Northern region. He is also an Associate Member of the Chartered Insurance Institute of Nigeria.

Educational Background
He is a 1994 graduate of the University of Jos. He also obtained a PGD (MANAGEMENT) and MBA in 2000 and 2001 respectively from Bayero University Kano.

Wycliffe Obutu
Chief Actuary

Skills and Experience
Wycliffe Obutu is the Chief Actuary at AIICO Insurance Plc., leading the largest Actuarial team in Nigeria's insurance industry. Before joining AIICO in 2018, he consulted at Ernst & Young in South Africa and worked at leading Insurance Groups in East Africa.

Wycliffe's area of expertise includes a wide range of business and actuarial skills, in Life, General and Health insurance, Asset Management and Retirements Benefits industry; Strategy Formulation and Execution; Transactions Advisory Services; Leadership and Entrepreneurship; Project Management; Risk Management; Europe's Solvency II and South Africa's SAM.

He successfully oversaw and delivered Financial Due Diligence on behalf of a predominantly South African based insurance group over five (5) West African countries that led to an acquisition of a 30% stake in the West African-based insurance group. This transaction (the most extensive insurance transaction in Africa in recent times) led to the South African based insurance group becoming the largest insurance group in Africa.

He has co-founded and participated in several start-ups and investment groups in Kenya. He sits on the Board of Directors (including Chairperson roles) and played in various positions including governance, strategy, valuations, and fundraising.

Educational Background
Wycliffe is a Fellow of the Institute of Actuaries (UK), the Actuarial Society of Kenya, Nigeria, and South Africa. He is also a member of the Life Insurance and Risk-based Capital Modelling Task Groups of the Actuarial Society of Kenya.

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AIICO INSURANCE PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of AIICO Insurance Plc ("the Company") and its subsidiaries (together "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2021 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Investment and Securities Act 2007 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIICO INSURANCE PLC – Continued

Key Audit Matters – Continued
The Key Audit Matter applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Actuarial Valuation of Insurance Contract Liabilities AIICO Insurance Plc has material insurance contract liabilities from both life and non-life businesses of ₦119.78 billion (2020: N136.08 billion) representing 65% (2020: 65%) of total liabilities of the Group. Actuarial valuation of these insurance contract liabilities is an area that involves significant judgment over uncertain future outcomes and therefore was an area of significance to our audit. At each reporting date, an assessment is made to determine whether the recognized life insurance liabilities are adequate by carrying out a liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. For non-life insurance contract liabilities, the Group reviews its unexpired risk, and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. Consistent with the insurance industry practice, the Group engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities as at year end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models.	Our procedures included following: With the assistance of our in-house actuarial specialists, we performed the following audit procedures on the Group's actuarial valuation reports: • We considered the appropriateness of the assumptions used in the valuation of the insurance contracts with reference to the Group's and industry's data and expectations of investment returns, future longevity and expense developments. • We considered the appropriateness of the non-economic assumptions used in the valuation of the insurance contracts in relation to laps or extension assumptions by reference to Group specific and industry data. • We assessed the competence and objectivity of the Group's independent actuary, confirming they are qualified and affiliated with the appropriate industry bodies. • We reviewed and documented management's process for estimating life policy benefits. • We assessed the design and tested the operating effectiveness of internal controls over the integrity of underwriting and claims data in the system as well as over the reserving and claims processes. • We performed file reviews of specific underwriting contracts in order to maximize our understanding of the book of business and validate initial loss estimates. • We tested subsequent year claim payments to confirm the reasonableness of the initial loss estimates.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIICO INSURANCE PLC – Continued

Key Audit Matters – Continued

Key Audit Matter	How the matter was addressed in the audit
Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behaviour and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgement is applied in setting these assumptions and small changes in a number of these key assumptions could have a material impact on the calculation of the liabilities. Insurance contract liabilities and related accounting policies are disclosed in Notes 19 and 3.16 respectively to the consolidated and separate financial statements.	• We also reviewed the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with required guidelines of National Insurance Commission (NAICOM).

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "AIICO Insurance Plc and Subsidiaries Annual Report and Financial Statements for the year ended 31 December 2021", which includes Corporate Information, the Results at a Glance, the Directors' Report, Shareholding Structure and Free Float Status, Certification Pursuant to Section 60(2) of Investment & Securities Act No. 29 of 2007, the Corporate Governance Report, the Report of the Statutory Audit Committee, Statement of Directors' Responsibilities in Relation to the Preparation of the Consolidated and Separate Financial Statements, and Other National Disclosures as required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council Act, No. 6, 2011, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards, the relevant provisions of the Companies and Allied Matters Act 2020, Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Investment and Securities Act 2007 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material

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misstatements, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIICO INSURANCE PLC – Continued

Responsibilities of the Directors for the Consolidated and Separate Financial Statements – Continued

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIICO INSURANCE PLC – Continued

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements - Continued

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) In our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books;

iii) The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Contraventions
The Group did not incur any penalty or fine in respect of any contraventions during the financial year.

Oluwasayo Elumaro, FCA
FRC/2012/ICAN/00000000139

For: Ernst & Young
Lagos, Nigeria
30 March 2022

Statement of Significant Accounting Policies

For the year ended 31 December 2021

1 Reporting entity

AIICO Insurance Plc ("the Company") was established in 1963 by American Life Insurance Company and was incorporated in 1970. It was converted to a Public Liability Company in 1989 and quoted on the Nigerian Stock Exchange (NSE) in December 1990. The Company was registered by the Federal Government of Nigeria to provide insurance services in Life Insurance Business, Non-Life Insurance Business, Deposit Administration and Financial Services to organizations and private individuals. Arising from the merger in the insurance industry, AIICO Insurance Plc acquired Nigerian French Insurance Plc and Lamda Insurance Company Limited in February 2007.

The Company currently has its corporate head office at Plot PC 12, Churchgate St, Victoria Island, Lagos with branches spread across major cities and commercial centres in Nigeria.

These consolidated and separate financial statements comprise the Company and its subsidiaries (together referred to as "the Group"). The Group and Company are primarily involved in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life insurance services to both corporate and individual customers. The activities of the subsidiaries and AIICO Insurance percentage holding are mentioned in Note 13 (Investment in subsidiaries).

2 Basis of accounting

2.1 Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the financial statements comply with the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act No 6, 2011, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) policy guidelines and circulars.

These consolidated and separate financial statements were authorised for issue by the Company's Board of Directors on 25 February 2022.

2.2 Going concern

These consolidated and separate financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The Directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Group and the Company have adequate resources to continue as going concern for the foreseeable future.

2.3 Functional and presentation currency

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Group and Company's functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

2.4 Basis of measurement

These consolidated and separate financial statements have been prepared under the historical cost convention, except for the following items; which are measured on an alternative basis on each reporting date.

Items	Measurement Bases
Item of building (Property plant and eqyuipment)	Revalued amount
Non-derivative Financial asset at fair value through other comprehensive income	Fair value
Non-derivative Financial asset at fair value through profit or loss	Fair value
Investment properties	Fair value
Insurance contract liabilities	Fair value

2.5 Use of estimates and judgement

In preparing these consolidated and separate financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are described in Note 4.

2.6 Changes in accounting policies

The Group has consistently applied the accounting policies as set out in Note 3 to all years presented in these financial statements. A number of other new standards are also effective from 1 January 2021 but they do not have a material effect on the Group's financial statements. Such standards are discussed below:

A issued and Amended standards effective from priods beginning on or after 1 January 2021

(i) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. This amendement has no impact on the Group as there are no IBOR-linked assets or liabilities within the group.

(ii) Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The Changes in Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) amend IFRS 16 to:-permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any

reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021);
-require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021-require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
-specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.
This amendment has no impact on the Group as no concession was granted to the Group during year under review.

2.7 Segment reporting

For management purposes, the Group is organized into business units based on their products and services. Segment performance is evaluated based on profit or loss. The Company's financing and income taxes are managed on a group basis and are not allocated to individual operating segments. Inter-segment transactions which occurred in 2021 as shown in Note 5.1 Segment statement of profit or loss and other comprehensive income and 5.2 Segment statement of financial position and results will include those transfers between business segments.

3 Significant accounting policies

The Group has consistently applied the following accounting policies to all years presented in these consolidated and separate financial statements.

3.1 Basis of Consolidation

(a) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company has an option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. No reclassification of insurance contracts is required as part of the accounting for the business combination. However, this does not preclude the Group from reclassifying insurance contracts to accord with its own policy only if classification needs to be made on the basis of the contractual terms and other factors at the inception or modification date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or a liability, will be recognized as measurement year adjustments in accordance with the applicable IFRS. If the contingent consideration is classified as equity, it will not be remeasured and its subsequent settlement will be accounted for within equity.

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the Company's share in the net identifiable assets acquired and liabilities assumed and net of the fair value of any previously held equity interest in the acquiree. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies
adopted by the Group.
In the separate financial statements, investments in subsidiaries are measured at cost.

Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, fair value of

the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss. All other acquisition costs are expensed as incurred.

Disposal of subsidiaries

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity related to the subsidiary. Any gain or loss arising from the loss of control is recognised in profit or loss. If the Group retains any interest in such subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset elected to be measured at fair value through other comprehensive income depending on the level of influence retained.

(C) Non-Controlling Interest

Non-Controlling Interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

(d) Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognized at cost in the separate financial statements, however in its Consolidated financial statements; it is recognized at cost and adjusted for in the Group's share of changes in the net assets of the investee after the date of acquisition, and for any impairment in value. If the Group's share of losses of an associate exceeds its interest in the associate, the Group discontinues recognizing its share of further losses

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate when the fair value was determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the spot exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

- financial asset at fair value through other comprehensive income (OCI) (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and

- qualifying cash flow hedges to the extent that the hedges are effective.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short term commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Cash and cash equivalents are carried at amortized cost in the consolidated and separate statements of financial position.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Recognition and initial measurement

All financial instruments are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, except for a financial asset or liability measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.2 Classification of financial instruments

The Group classified its financial assets under IFRS 9, into the following measurement categories:

• Those to be measured at fair value through other comprehensive income (FVOCI) (either with or without recycling)

• Those to be measured at fair value through profit or loss (FVTPL); and

• Those to be measured at amortized cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets cash flow (i.e. solely payments of principal and interest- (SPPI test)).

The Group classifies its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortized cost.

Management determine the classification of the financial instruments at initial recognition.

(I) Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

• the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether

management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
• how the performance of the portfolio is evaluated and reported to the Group's management;
• the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
• how managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
• the frequency, volume and timing of sales in prior years, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

(ii) Assessment whether contractual cash flows are solely payments of principal and interest

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular year of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

• contingent events that would change the amount and timing of cash flows;
• leverage features;
• prepayment and extension terms;
• terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset features); and
• features that modify consideration of the time value of money – e.g. yearical reset of interest rates.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iii) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Group changes its business model for managing financial assets that are debt instruments. A change in the objective of the Group's business occurs only when the Group either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).
The following are not considered to be changes in the business model:
• A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
• A temporary disappearance of a particular market for financial assets
• A transfer of financial assets between parts of the entity with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting year following the change in business model.

Gains, losses or interest previously recognized are not restated when reclassification occurs.

3.4.3 Subsequent measurements

The subsequent measurement of financial assets depends on its initial classification:

(I) Debt instuments

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

• The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The gain or loss on a debt securities that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Investment income'.

The amortized cost of a financial instrument is the amount at which it was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter year, to the instrument's gross carrying amount.

***Fair value through other comprehensive income (FVOCI)**

Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

• the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) and accumulated in a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. Upon disposal or derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized as realized gain or loss. Interest income from these financial assets is determined using the effective interest method and recognized in profit or loss as investment income. The treatment for equity instrument at FVTOCI is stated below. (Note 3.4.3(iii)).

***Fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of a debt securities that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/loss' in the year in which it arises. Interest income from these financial assets is recognized in profit or loss as investment income.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net fair value gain/loss in the profit or loss.

3.4.4 Impairment of financial assets

(a)Overview of the Expected Credit Losses (ECL) principles

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

• Financial assets that are debt instruments measured atamortized cost and FVOCI

In this section, the instruments mentioned above are all referred to as 'financial instruments' or 'assets'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined.

The 12month ECL is the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter year if the expected life of the instrument is less than 12 months). Both LT ECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for account receivable are always measured at an amount equal to lifetime ECL. The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

•Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved

and the asset has been reclassified from Stage 2.

• Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.

• Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LT ECLs.

If, in a subsequent year, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime – stage 2 or stage 3 of the ECL bucket, the Group would continue to monitor such financial assets for a probationary year of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1). In addition to the 90 days probationary year above, the Group also observes a further probationary year of 90 days to upgrade from Stage 3 to 2. This means a probationary year of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-months ECL (Stage 1)

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3.19 Borrowing Costs

Borrowing costs are interest and other costs incurred by the Group directly attributable to the acquisition and construction of qualifying assets which are assets that necessarily takes a substantial year of time to get ready for its intended use or sale.

Borrowing costs are capitalized as part of the cost of a qualifying asset only when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or net realizable value, the carrying amount is written down or written off. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.
The Group considers a financial asset to be in default when the following occurs;
- The counterparty is unlikely to pay its credit obligations e.g market information
- Failure by the counterparty to meet obligation 90days past due.
In assessing whether a borrower is in default, the Group considers indicators that are:
- qualitative: e.g indicators of financial asset OR breach of covenant.
- quantitative e.g overdue status and non payment of another obligation of the same issuer to the Group.

- quantitative e.g overdue status and non payment of another obligation of the same issuer to the Group.
The Group has defined its maximum year in estimating expected credit losses to be the maximum year to which the Group is exposed to the credit risk.
The Group has assumed that credit risk of a financial asset has not increased significantly since initial recognition if the financial asset have low credit risk at reporting date. The Group considers a financial asset to have low risk when its credit rating is equivalent to the globally understood definition of investment grade.

As a back stop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering grace year that might be available to the borrower.

(b) The calculation of ECLs

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the effective interest rate. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:
• PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
• EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
• LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

• Stage 1: The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12m ECL allowance

based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

• Stage 2: When an asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

• Stage 3: For assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

(c) Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is reclassified to the profit and loss upon derecognition of the assets.

(d) Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms: staff gratuity or guarantors for staff loans, in-house pension fee for agency loan, policy document/cash value for policy loans, etc. The Company's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same is it was under IAS 39. Collateral, unless repossessed, is not recorded on the Company's statement of financial position.
However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on yearly basis as deemed necessary.

(e) Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:
• Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
• Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(f) Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:
• GDP growth
• Unemployment rates
• Inflation rates
• Crude oil price
The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 46 (d) in the financial statements.

3.4.5 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

3.4.6 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Group is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.4.7 Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired.
When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

3.4.8 Write off
The Group writes off a financial asset (and any related allowances for impairment losses) when the Group determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.
However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

3.5 Trade receivables
Trade receivables arising from insurance contracts represent premium receivable with determinable payments that are not quoted in an active market and the Group has no intention to sell. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the "NO PREMIUM NO COVER" policy. Refer to note 3.4 for basis of measurement.

3.6 Reinsurance assets
The Group cedes insurance risk in the normal course of business on the bases of our treaty and facultative agreements. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract

3.7 Trade payables
Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognised as financial liabilities.

3.8 Other payables and accruals
Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. Discounting is omitted for payables that are less than one year as the effect is not material. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss. Gains and losses are recognised in the profit or loss when the liabilities are derecognized. Other payables are recognised as other financial liabilities.

3.9 Deferred expenses
(a) Deferred acquisition costs (DAC)
Those direct and indirect costs incurred during the financial year arising from the writing or renewing of insurance contracts and are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred.

Acquisition cost for life insurance are expensed as incurred. Subsequent to initial recognition, Acquisition cost for general insurance are amortized over the year in which the related revenues are earned. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year and are treated as a change in an accounting estimate. DAC are derecognized when the related contracts are either settled or disposed off.

(b) Deferred expenses -Reinsurance commissions
Commissions receivable on outwards reinsurance contracts are deferred and amortized on a straight line basis over the term of the expected premiums payable.

3.10 Other receivables and prepayment
Other receivables are carried at amortised cost using the effective interest rate less accumulated impairment losses. Prepayments are carried at cost less accumulated amortization and are amortized on a straight line basis to the profit or loss.

3.11 Income tax
Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that this relates to a business combination, or items recognized directly in equity or other comprehensive income.

(a) Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to the income taxes, if any. It is measured using tax rate enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends received by the Group.

(b) NITDA Levy

The National Information Technology Development Agency Act (2007) empowers and mandates the Federal Inland Revenue Service (FIRS) to collect and remit 1% of profit before tax of Companies with turnovers of a minimum of ₦100million under the third schedule of the Act.

(c) Deferred income taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that its probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profit improves.

Unrecognised deferred tax asset are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value presumed to be recovered through sale, and the Group has not been rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.12 Investment properties

Investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.13 Intangible assets and goodwill

(a) Goodwill

Goodwill is measured at cost less accumulated impairment losses

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite.
Intangible assets with finite lives are amortized over the useful economic lives, using a straight line method, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category consistent with the function of the intangible asset.
Computer software, not integral to the related hardware acquired by the Group, is stated at cost less accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The estimated useful life is 5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

(C) Present Value Of Aquired In-force Business(PVIF)

When a portfolio of insurance contracts is acquired, whether directly from another insurance company or as part of a business combination, the difference between the fair value of insurance rights acquired and insurance obligation assumed are measured using the Group's existing accounting policies and it is recognized as the value of the acquired in-force business.

Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses. The intangible asset is amortized over the useful life of the acquired in-force policy during which future

premiums are expected, which typically varies between five and fifty years. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year and they are treated as a change in an accounting estimate. An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit and loss. PVIF is also considered in the liability adequacy test for each reporting year.
PVIF is derecognized when the related contracts are settled or disposed off.

(d) Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(e) Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, and generally recognised in profit or loss. Goodwill is not amortised.
Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Imapairment on goodwill
Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

3.14 Property and equipment
(a) Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and impairment losses except for building (see note 2.4). Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Buildings are measured at revalued amount less accumulated depreciation while land is not depreciated (see note c below). Valuations are performed frequently (within every three year (3yrs)) to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount and the net value is restated to the revalued amount of the asset. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and have been reclassified to the related asset category.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

(b) Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation
Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using the straight-line method over the estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.
The estimated useful lives of significant items of property and equipment for current and comparative years are as follows:

Land	Not depreciated
Buildings	50 years
Furniture and equipment	5 years
Motor vehicles	4 years
Capital work in progress	Not depreciated

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell or the value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amount. Gains and losses are included in the profit or loss for the year.

(d) De-recognition
An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. Any revaluation gain or loss previously recognised in reserve is derecognised into retained earnings.

(e) Reclassification to investment property
When the use of a property changes from owner- occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the

revaluation reserve. Any loss is recognised in profit or loss.

3.15 Statutory deposit

Statutory deposit represent 10% of required minimum paid up capital of AIICO Insurance PLC. The amount is held by CBN (Central Bank of Nigeria) pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

3.16.1 Insurance contract liabilities

(a) Life insurance contract liabilities

At each reporting date, an assessment is made of whether the recognized life insurance liabilities are adequate by carrying out a liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. Discounted cash flows model is used in the valuation.

(b) Guaranteed annuity

Guaranteed annuity is recognised as an insurance contract. Annuity premium are recognised as income when received from policy holders, payments to policy holders are recognised as an expense when due. The amount of insurance risk under contracts with guaranteed annuity is also dependent on the number of contract holders that will exercise their option ('option take-up rate'). This will depend significantly on the investment conditions that apply when the options can be exercised. The lower the current market interest rates in relation to the rates implicit in the guaranteed annuity rates, the more likely it is that contract holders will exercise their options. Continuing improvements in longevity reflected in current annuity rates will increase the likelihood of contract holders exercising their options as well as increasing the level of insurance risk borne by the Company under the annuities issued. The Group does not have sufficient historical data on which to base its estimate of the number of contract holders who exercise their option.

(c) Non-life insurance contract liabilities

Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims expenses. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognized in the profit or loss by setting up a provision for premium deficiency.

3.16.2 Investment contract liabilities

Investment contract liabilities are recognized when contracts are entered into and premiums are received. These liabilities are initially recognized at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition investment, contract liabilities are measured at amortized cost.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the consolidated profit or loss. The liability is derecognized when the contract expires, is discharged or is cancelled. When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

However, when contracts contain both financial risk component and significant insurance risk component and cash flows from the two components are not distinct and cannot be measured reliably, the underlying amounts are not unbundled but are recognized in the statement of financial position account as insurance contract liabilities. After which, the actuary, using the contract terms, allocates a portion to the deposit component during the actuarial valaution. The portion allocated to the deposit component is subsequently debited to the profit or loss as part of the actuarially determined liabilities with a corresponding credit posted to other investmnent contract liabilities account in order to track the deposit element separately from the risk element.

3.17 Portfolio under Management

(i) Fiduciary activities

The Group acts in other fiduciary capacities that results in holding or placing of assets on behalf of individuals and other institutions. These assets arising thereon are excluded from these financial statement as they are not assets of the Group. However, fee income earned and fee expenses incurred by the Group relating to the Group's responsibilities from fiduciary activities are recognised in profit or loss.

(ii) Fixed income liability

These are funds managed by the Group on behalf of its clients. The interest rate on these liabilities are agreed with the client at the inception of the investment. The Group invests these funds in finanacial instruments in order to generate at the minimum, the agreed rate of returns. The interest spread on these investments is the return to the Group. These liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these laibilities are measured at amortised cost using the effective interest method.

3.18 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencementdate, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

During the year, the group has no lease liability as all leases were rental and leased properties prepaid.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.
When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other revenue'. Generally, the accounting policies applicable to the Group as a lessor in the comparative year were not different from IFRS 16.

3.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.20 Share capital

(a) Ordinary shares

The Group's issued ordinary shares are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity.

(b) Dividends on ordinary share capital

Dividends on ordinary shares when approved by the Group's shareholders are paid from retained earnings.
The Group classifies share premium as equity when there is no obligation to transfer cash or other assets.

3.21 Deposit for shares

The group recognises funds received from investors for the purposes of equity purchase as deposit for shares pending the allotment of its shares.

3.22 Revaluation reserve

Subsequent to initial recognition, an item of property and equipment and intangibles is carried using the cost model.

However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation gains is recognised in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which it is recognised in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognised in profit or loss. When a revalued asset is disposed of, any revaluation surplus is left in equity under the heading retained earnings.

3.23 Fair value reserve

(a) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

(b) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3.24 Exchange gains reserve

Exchange gain reserves comprises the cumulative net change when fair value through other comprehensive income investment in foreign currency are translated into the functional currency. When such investment is disposed of, the cumulative amount of the exchange differences recognised in other comprehensive income shall be reclassified to the profit or loss.

3.25 Technical reserves

These are computed in compliance with the provisions of Section 20, 21, and 22 of the Insurance Act 2003 as follows:

(a) General Insurance Contracts

Reserves for unearned premium in compliance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

(b) Reserves for Outstanding Claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus 10 percent from claims incurred but not reported (IBNR) as at the reporting date. The IBNR is based on the liability adequacy test.

(c) Reserve For Unexpired Risk

A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR).

(d) Life Business

General Reserve Fund

This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date.

(e) Liability Adequacy Test

At each end of the reporting year, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related deferred acquisition cost (DAC) assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately recognised in profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision". The provisions of the Insurance Act 2003 requires an actuarial valuation for life reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. Hence, the Group carries out actuarial valuation on both life and non-life insurance businesses.

3.26 Statutory reserve

In accordance with the provisions of Section 69 of the Pension Reform Act 2014, the statutory reserve is credited with an amount equivalent to 12.5% of net profit after tax or such other percentage of the net profit as the National Pension Commission may from time to time stipulate.

3.27 Contingency reserves

(a) Non-life business

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

(b) Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit and accumulated until it reaches the amount of the minimum paid up capital – Insurance ACT 22 (1)(b).

3.28 Retained earnings

This account accumulates profits or losses from operations and reduced by dividends declared.

3.29 Revenue recognition

(a) Gross premium income

Gross recurring premiums on life are recognised as revenue when payable by the policyholder. For single premium business, revenue is recognised on the date on which the policy is effective.

Gross general insurance written premiums comprise the total premiums receivable for the whole year of cover provided by contracts entered into during the accounting year. They are recognised on the date on which the policy commences. Premiums include any adjustments arising in the accounting

year for premiums receivable in respect of business written in prior accounting years. Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross premium; others are recognised as an expense. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.
Unearned premiums are those proportions of premiums written in a year that relate to years of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent years is deferred as a provision for unearned premiums.

(b) Reinsurance premium
Gross reinsurance premiums on life and investment contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Gross general reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the year and are recognised on the date the policy becomes effective.
Premiums includes any adjustments arising in the accounting year in respect of reinsurance contracts that commenced in prior accounting years.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to years of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

(c) fees commission income
Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. The administration fee is calculated as a flat charge payable monthly from contributions received while the fund management fee is an asset based fee charged as a percentage of the opening net assets value of the pension fund investment. These fees are recognized as revenue over the year in which the related services are performed. If the fees are for services provided in future years, then they are deferred and recognized over those future years.

(d) Change in life fund
Actuarial valuation of the ordinary life and annuity fund is conducted at reporting date to determine the net liabiities on the existing policies and the adequacy of the assets representing the insurance fund. The changes in the fund is charged to the profit or loss.

(e) Investment income
Interest income is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

(f) Realized gains and losses
Realized gains and losses recorded in the profit or loss on investments include gains and losses on financial assets and investment property. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(g) Investment property rental income
Rental income from investment property is recognised as revenue on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.
Rental Income from other property is recognised as other income.

The fair value gain or loss on investment property is recognised in the profit or loss.

3.30 Benefits, claims and expenses recognition
(a) Gross benefits and claims
Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year, including internal and external claims handling costs that are directly related to the processing and settlement of claims. Changes in the gross valuation of insurance are also included. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due. General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

(b) Reinsurance claims
Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

(c) Reinsurance expenses
Reinsurance cost represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

3.31 Underwriting expenses
Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/ contract. These expenses are recognised in the accounting year in which they are incurred.

3.32 Other operating income
Other operating income comprises of income from realised profits on sale of securities, realised foreign exchange gains and other sundry income.

3.33 Employee benefits

(a) Short term employee benefit
Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates a contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The Pension Reform Act 2014 requires a minimum contributions of 8% from the staff and 10% by the Company based on the basic salaries and other designated allowances. The Pension Reform Act 2014 also allows the Company to bear the full contribution on behalf of the employees as far as the minimum contributions of 18% is met. The Company bears the full contribution on behalf of the employees contributions which is charged to the profit or loss.

3.34 Other operating expenses
Expenses are decreases in economic benefits during the accounting year in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.
Other operating expenses are accounted for on accrual basis and recognized in the profit or loss upon utilization of the service or at the date of their origin.

3.35 Finance cost
Interest paid is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

3.36 Earnings per share
The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares held by the Group. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.37 Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). Right-of-use assets for the Group relates to rental payments above two (2) yeare and they are amortised on a straight-line basis over the period of the lease. During the year under review, there were no consession lease incentives granted to the group on rental payments.

3.38 Standards issued but not yet effective
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions except for IFRS 17. The likely impact of IFRS 17 insurance contracts on the Group's financial statements is stated in note (e) below:

(a) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) Annual reporting years beginning on or after 1 January 2023
The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(b) Reference to the Conceptual Framework (Amendments to IFRS 3) Annual reporting years beginning on or after 1 January 2022
The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

(c) property, plant and equipment- proceeds before intended use(amendments to IAS 16)anual reporting year begining on or after 1jenuary 2022
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

(d) Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37) Annual reporting years beginning on or after 1 January 2022
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

(e) IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of

entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:
- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The Company has formalized its IFRS 17 implementation road map. It has performed gap analysis, financial and operational impact assessment, and is in the process of deploying the required software solution in readiness for full implementation of IFRS 17. The Company expects that the new standard will result in an important change in the accounting policies for insurance contract liabilities of the Company and is to have a significant impact on profit and total equity together with presentation and disclosure.

Finalization of the Amendments to IFRS 17
In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address possible mismatches between financial assets and insurance contract liabilities in the comparative information presented at initial application of IFRS 17.

If an entity elects to apply the classification overlay, it can only do so for comparative periods to which it applies IFRS 17 (i.e. from transition date to the date of initial application of IFRS17)

IFRS 17 is effective for reporting years beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

(f) Annual Improvements to IFRS Standards 2018–2020 Annual reporting years beginning on or after 1 January 2022

Makes amendments to the following standards:
- IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

4 Critical accounting estimates and judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) The ultimate liability arising from claims made under insurance contracts
The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.
The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection techniques called the Basic Chain Ladder (BCL).

The main assumption underlying these technique is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

(b) Impairment of financial instrument
The Company has applied some judgment in carrying out an assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporating forward-looking information in the measurement of ECL.

The judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for debt instruments measured at amortised cost and fair value through other comprehensive income. In estimating these cash flows, the Company makes judgments about the borrower's financial situation and value of other

collateral (where applicable). These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the debt portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

These critical assumptions have been applied consistently to all years presented

(c) measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the requirements.

- Level 1: Quoted market price in an active market for an identical instrument.

- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

(d) Fair value of unquoted equity financial instruments

Investments in unquoted equity financial instrument should be measured at fair value. The Group's investment in unquoted equity financial instrument are measured at fair value and are classified as a level 3 fair value hierachy. As observable prices are not available for these securities, the Group has used valuation techniques to derive the fair value. See note 7(e)(ii).

(e) Liabilities arising from life insurance contracts

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate, mortality and further mortality improved in estimating the required reserves for life contracts

(f) Depreciation and carrying value of property anequipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

(g) Determination of impairment of property and equipment and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

(h) Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment is recognized.

(I) Investment properties

The Group's investment properties are valued on the basis of open market value. The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value such as price per square meter, rate of development in the area and quality of the building. No adjustments were made on the inputs to the model and assumptions to the model remains consistent with what was used in previous years.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected
from its disposal.

(j) Current income tax

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act. It states that an Insurance business shall be taxed as;

• an insurance company, whether proprietary or mutual, other than a life insurance company; or

• a Nigerian company whose profit accrued in part outside Nigeria,

The profit on which tax may be imposed, shall be ascertained by taking the gross premium interest and other income receivable in Nigeria less reinsurance and deducting from the balance so arrived at, a reserve fund for unexpired risks at the percentage consistently adopted by the company in relation to its operation as a whole for such risks at the end of the year for which the profits are being ascertained, subject to the limitation below:

An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes-

(a) for unexpired risks, 45 percent of the total premium in case of general insurance business other than marine insurance business and 25 percent of the total premium in the case of marine cargo insurance;

(b) for other reserves, claims and outgoings of the company an amount equal to 25 percent of the total premium.

The Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements

(k) Deferred tax asset

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(l) Determining control over investee entities

Management applies its judgement to determine whether the Group has control over subsidiaries or significant influence over an investee company as set out in Note 3.1(b).

The Group has determined that it exercises control and significant influence over certain investee companies due to its representation on the Board of such companies and its significant participation in the Companies' operating and financial policies.

Consolidated and Separate Statements of Financial Position

As at 31 December 2021

In thousands of naira	Notes	Group 31-Dec-2021	Group 31-Dec-2020	Company 31-Dec-2021	Company 31-Dec-2020
Assets					
Cash and cash equivalents	6	25,490,105	31,913,335	9,062,962	9,279,385
Financial assets	7	172,501,020	188,342,047	152,718,223	166,074,396
Trade receivables	8	728,518	937,078	689,375	897,596
Reinsurance assets	9	10,387,924	7,496,395	10,387,924	7,496,395
Deferred acquisition costs	10	739,223	582,265	739,223	582,265
Other receivables and prepayments	11	2,411,790	2,404,884	2,140,480	704,275
Assets classified as held for sale	14(g)19.1(a)	-	2,237,780	-	1,365,042
Right of use assets	12	105,855	21,987	105,855	21,987
Deferred tax assets	13(d)	1,252	6,168	-	-
Investment in subsidiaries	14	-	-	1,087,317	1,087,317
Investment in associate	14(i)	705,629	-	705,691	-
Investment properties	15	806,000	758,000	806,000	758,000
Goodwill and other intangible assets	16	934,748	889,082	838,252	862,379
Property and equipment	17	7,068,787	7,009,404	6,847,439	6,705,570
Statutory deposits	18	500,000	500,000	500,000	500,000
Total assets		**222,380,849**	**243,098,424**	**186,628,741**	**196,334,608**
Liabilities					
Insurance contract liabilities	20	119,776,331	136,078,388	119,565,299	135,856,973
Investment contract liabilities	21	22,829,871	21,835,376	22,829,871	21,835,376
Trade payables	22	3,779,049	2,020,724	3,748,134	1,963,893
Other payables and accruals	23(a)	3,700,219	4,774,609	3,394,547	3,892,160
Fixed income liabilities	23(b)	33,506,178	43,046,848	-	-
Current income tax payable	13(a)	407,282	358,099	307,392	307,621
Liabilities attributable to assets held for sale	19.1(b)	-	316,462	-	-
Deferred tax liabilities	13(d)	7,666	8,837	-	-
Total liabilities		**184,006,595**	**208,439,343**	**149,845,244**	**163,856,023**
Equity					
Share capital	24(a)(ii)	18,302,638	7,843,988	18,302,638	7,843,988
Share premium	24(b)(i)	64,745	7,037,181	64,745	7,037,181
Revaluation reserve	24(c)	1,812,707	1,812,707	1,812,707	1,812,707
Fair value reserve	24(d)	(1,683,037)	(507,416)	(1,016,727)	(438,586)
Foreign exchange gains reserve	24(e)	175,600	175,600	175,600	175,600
Contingency reserve	24(h)	8,304,604	7,213,594	8,304,604	7,213,594
Retained earnings	24(i)	11,051,695	9,924,143	9,139,931	8,834,100
Statutory reserve of disposal assets classified as held for sale	24(g)	-	202,042	-	-
Shareholders' funds		**38,028,951**	**33,701,839**	**36,783,497**	**32,478,584**
Non-controlling interests	14(e)	345,303	957,243	-	-
Total equity		**38,374,255**	**34,659,081**	**36,783,497**	**32,478,584**
Total liabilities and equity		**222,380,849**	**243,098,424**	**186,628,741**	**196,334,608**

These consolidated and separate financial statements were approved by the Board of Directors on 25 February 2022 and signed on its behalf by:

Mr. Kundan Sainani
Chairman
FRC/2013/IODN/00000003622

Mr. Babatunde Fajemirokun
Managing Director/Chief Executive Officer
FRC /2015/MULTI/00000019973

Mr. Oladeji Oluwatola
Chief Financial Officer
FRC/2013/ICAN/0000004910

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

		Group		Company	
In thousands of naira	Notes	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
Gross premium written	25(a)	**71,646,427**	**61,979,667**	**71,001,519**	**61,318,398**
Gross premium income	25(b)	70,655,049	60,680,800	70,009,673	60,038,913
Reinsurance expenses	25(c)	(12,133,221)	(7,901,040)	(12,133,221)	(7,901,040)
Net premium income		**58,521,828**	**52,779,760**	**57,876,452**	**52,137,873**
Fee and commission income					
Insurance contracts	26	2,284,681	1,556,537	2,284,681	1,556,537
Pension and other contracts	26	297,068	406,077	-	-
Net underwriting income		**61,103,577**	**54,742,374**	**60,161,133**	**53,694,410**
Claims expenses:					
Claims expenses (Gross)	27(a)	(47,326,391)	(39,746,511)	(46,809,502)	(39,301,617)
Claims expenses recovered from reinsurers	27(b)	7,411,727	8,089,798	7,411,727	8,089,798
Claims expenses (Net)		**(39,914,664)**	**(31,656,713)**	**(39,397,775)**	**(31,211,819)**
Underwriting expenses	28	(10,578,863)	(7,774,553)	(10,527,542)	(7,733,605)
Change in life fund	20(d)	8,805,967	(29,641,976)	8,805,967	(29,641,976)
Change in annuity fund	20(e)	11,993,313	(16,736,767)	11,993,313	(16,736,768)
Change in other investment contracts	21(b)	(1,064,476)	(5,204,421)	(1,064,476)	(5,204,421)
Total underwriting expenses		**(30,758,723)**	**(91,014,430)**	**(30,190,513)**	**(90,528,590)**
Underwriting profit/(loss)		**30,344,854**	**(36,272,056)**	**29,970,620**	**(36,834,180)**
Investment income	29(a)	13,378,709	11,712,513	12,812,157	11,811,450
Profit from deposit administration	29(b)	473,630	54,485	473,630	54,485
Net realised gains	30	2,399,693	7,399,596	2,470,263	7,399,596
Net fair value (losses)/gains	31	(34,650,482)	30,623,376	(34,650,482)	30,623,376
Other operating income	32	1,821,416	2,718,404	774,824	762,075
Personnel expenses	33	(3,524,470)	(3,917,598)	(2,844,463)	(3,217,429)
Other operating expenses	34	(7,435,720)	(7,552,932)	(6,935,871)	(6,158,019)
Finance cost		-	(96,743)	-	(96,743)
Impairment reversal /(losses)	35	34,272	(36,971)	11,100	31,114
Share of Associate Loss		(34,902)	-	-	-
Profit before income tax from continuing operations		2,807,000	4,632,074	2,081,778	4,375,725
Income tax (expense)/credit	13(b)(i)	(166,012)	393,865	(28,655)	388,870
Minimum tax	13(b)	(91,893)	(45,604)	(91,893)	-
Profit after tax from continuing operations		**2,549,095**	**4,980,335**	**1,961,230**	**4,764,595**
Discontinued operations					
Profit after tax from discontinued operations	14(h),19.2.	2,366,914	269,490	3,007,434	-
Profit for the year		**4,916,009**	**5,249,825**	**4,968,664**	**4,764,595**
Attributable to owners of the parent		4,853,284	5,061,120	4,968,664	4,764,595
Attributable to non-controlling interest holders	14(e) (f)	62,725	188,707	-	-
		4,916,009	**5,249,827**	**4,968,664**	**4,764,595**
Other comprehensive income, net of tax					
Items within OCI that may be reclassified to profit or loss in subsequent periods:					
Fair value loss on financial assets	13(c)	(1,239,138)	(2,526,278)	(575,556)	(1,220,212)
Impairment reversal/(charge) on FVTOCI		(2,583)	36,338	(2,583)	(30,632)
Items within OCI that will not be reclassified to profit or loss in subsequent periods:					
Fair value loss on equity securities	24(i)	(91,081)	(56,406)	(85,611)	(136,269)
Revaluation loss on property and equipment	24(c)	-	(155,000)	-	(155,000)
Total other comprehensive loss		**(1,332,802)**	**(2,701,346)**	**(663,750)**	**(1,542,113)**
Total comprehensive income for the year		**3,583,207**	**2,548,479**	**4,304,914**	**3,222,482**
Attributable to owners of the parent		3,587,128	2,475,697	4,304,914	3,222,482
Attributable to non-controlling interests		(3,921)	72,782	-	-
		3,583,207	**2,548,479**	**4,304,914**	**3,222,482**
Basic and diluted earnings per share (Kobo)	36	13	14	14	13

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Consolidated and Separate Statements of Change in Equity - Group

For the year ended 31 December 2021

Group

In thousands of naira	Note	Issued Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Foreign exchange translation reserve	Statutory Reserve	Contingency Reserve	Retained Earnings	Deposit for shares	Statutory Reserve of Disposal Group	Shareholders' Equity	Non Controlling Interests	Total equity
		Attributable to owners of the Group												
Balance at 1 January 2021		7,843,988	7,037,181	1,812,707	(507,416)	175,600	-	7,213,594	9,924,143	-	202,042	33,701,838	957,243	34,659,081
Balance as at 1 Jan 2021		7,843,988	7,037,181	1,812,707	(507,416)	175,600	-	7,213,594	9,924,143	-	202,042	33,701,838	957,243	34,659,081
Total comprehensive income for the year														
Profit for the year		-	-		-	-	-	-	4,853,284	-	-	4,853,284	62,725	4,916,009
Other comprehensive income		-	-	-	(1,332,802)	-	-	-	-	-	-	(1,332,802)		(1,332,802)
NCI Share of other comprehensive income		-	-	-	66,100	-	-	-	-	-	-	66,100	(66,100)	-
Total other comprehensive income for the year		-	-	-	(1,266,702)	-	-	-	4,853,284	-		3,586,582	(3,375)	3,583,207
Transfers within equity														
Transfer to contingency reserve			-	-	-	-	-	1,091,009	(1,091,009)	-		-	-	-
Bonus issue	24(a)(ii)	10,458,650	(6,972,436)	-		-	-	-	(3,486,215)	-		(0)		(0)
Transfer to statutory reserve									202,042		(202,042)	-		-
Transfer to/(from) retained earnings		-	-	-	91,081	-		-	(91,081)	-		-	(547)	(547)
Total transfers		10,458,650	(6,972,436)	-	91,081	-	-	1,091,009	(4,466,263)	-	(202,042)	(0)	(547)	(547)
Transactions with owners, recorded directly in equity														
Transfer to disposal group												-	(608,018)	(608,018)
Transfer to investment in associates	14(i)								740,532			740,532	-	740,532
Total contributions by and distributions to equity holders		-	-	-	-	-	-	-	740,532	-	-	740,532	(608,018)	132,513
Balance at 31 December 2021		**18,302,638**	**64,745**	**1,812,707**	**(1,683,037)**	**175,600**	**-**	**8,304,604**	**11,051,695**	**-**	**-**	**38,028,953**	**345,303**	**38,374,253**
Balance at 1 January 2020	24	3,465,102	2,824,389	1,812,707	1,995,336	159,677	167,874	6,320,410	5,888,969	5,280,000		27,914,465	995,599	28,910,063
Total comprehensive income for the year														
Profit for the year		-	-		-	-	-	-	5,061,120	-	-	5,061,120	188,707	5,249,826
Other comprehensive income		-	-	(155,000)	(2,562,269)	15,923	-	-		-	-	(2,701,346)		(2,701,346)
NCI Share of other comprehensive income		-	-	-	123,910	-	-	-		-	-	123,910	(123,910)	
Total other comprehensive income for the year		-	-	(155,000)	(2,438,359)	15,923	-	-	5,061,120	-	-	2,483,683	64,797	2,548,480
Transfers within equity														
Transfer to contingency reserve		-	-	-	-	-	-	893,185	(893,185)	-		-	-	-
Transfer to retained earnings		-	-	155,000	-	-	-	-	(155,000)	-		-	-	-
Transfer to/(from) retained earnings to statutory reserve		-	-	-	-	-	34,168	-	(34,168)	-		-	-	-
Transfer to/(from) retained earnings					(64,392)				56,406			(7,986)	7,986	-
Transfer to disposal group							(202,042)				202,042	-		-
Total transfers	24(i)	-	-	155,000	(64,392)	-	(167,874)	893,185	(1,025,946)	-	202,042	(7,986)	7,986	-
Transactions with owners, recorded directly in equity														
Private placement		2,200,000	3,001,804							(5,201,804)	-	-	-	-
Direct cost attributable to capital raised									-	78,199	-	(78,199)	-	(78,199)
Right Issue		2,178,886	1,210,987								-	3,389,874	-	3,389,874
Dividend paid to ordinary shareholders	14(f)	-		-	-	-	-	-	-	-	-	-	(111,140)	(111,140)
Total contributions by and distributions to equity holders		4,378,886	4,212,792	-	-	-	-	-	-	(5,280,003)		3,311,675	(111,140)	3,200,535
Balance at 31 December 2020		**7,843,988**	**7,037,181**	**1,812,707**	**(507,416)**	**175,600**	**(0)**	**7,213,594**	**9,924,143**	**-**	**202,042**	**33,701,838**	**957,243**	**34,659,081**

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Consolidated and Separate Statements of Change in Equity - Company

For the year ended 31 December 2021

Company

	Note	Issued Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Foreign exchange translation Reserve	Contingency Reserve	Retained Earnings	Deposit for shares	Total shareholders' Equity
		Attributable to owners of the Company								
In thousands of naira										
Balance at 1 January 2021		7,843,988	7,037,181	1,812,707	(438,588)	175,600	7,213,594	8,834,102	-	32,478,583
Balance at 1 Jan 2021		7,843,988	7,037,181	1,812,707	(438,588)	175,600	7,213,594	8,834,102	-	32,478,583
Total comprehensive income for the year										
Profit for the year		-	-	-		-	-	4,968,664	-	4,968,664
Other comprehensive income		-	-	-	(663,750)	-	-		-	(663,750)
Total other comprehensive income for the year		-	-	-	(663,750)	-	-	4,968,664	-	4,304,914
Transfers within equity										
Transfer to contingency reserve		-	-	-	-	-	1,091,009	(1,091,009)	-	-
Bonus Issue	**24(a)(ii)**	10,458,650	(6,972,436)	-		-	-	(3,486,215)	-	-
Transfer to retained earnings from fair value reserve	**24(i)**	-	-	-	85,611	-	-	(85,611)	-	-
Total transfers within equity		10,458,650	(6,972,436)	-	85,611	-	1,091,009	(4,662,835)	-	-
Balance as at 31 December 2021		**18,302,638**	**64,745**	**1,812,707**	**(1,016,727)**	**175,600**	**8,304,604**	**9,139,931**	**-**	**36,783,497**
Balance at 1 January 2020	24(a)(ii)	3,465,102	2,824,389	1,812,707	828,179	159,677	6,320,410	5,253,960	5,280,000	25,944,423
Balance at 1 Jan 2020		3,465,102	2,824,389	1,812,707	828,179	159,677	6,320,410	5,253,960	5,280,000	20,664,423
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	-	4,764,596	-	(1,558,036)
Other comprehensive income		-	-	(155,000)	(1,403,036)	-	-		-	3,206,560
Total other comprehensive income for the year		-	-	(155,000)	(1,403,036)	-	-	4,764,596	-	3,206,560
Transfers within equity										
Transfer to contingency reserve		-	-	-	-	-	893,184	(893,184)	-	-
Private placement	**24(a)(ii)**	2,200,000	3,001,804	-	-	-	-	-	(5,201,804)	-
Direct cost attributable to capital raised									(78,199) -	78,199
Right Issue		2,178,886	1,210,988	-	-	-	-	-	-	3,389,874
Transfer to retained earnings				155,000	136,269			(291,269)	-	-
Total transfers within equity		4,378,886	4,212,792	155,000	136,269	-	893,184	(1,184,453)	(5,280,003)	3,311,675
Balance at 31 December 2020		**7,843,988**	**7,037,181**	**1,812,707**	**(438,588)**	**159,677**	**7,213,594**	**8,834,102**	**-**	**32,462,660**

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Consolidated and Separate Statements of Cash Flows

For the year ended 31 December 2021

In thousands of naira	Notes	Group 31-Dec-2021	Group 31-Dec-2020	Company 31-Dec-2021	Company 31-Dec-2020
Operating activities:					
Total premium received		71,854,987	61,429,338	71,209,740	60,723,908
Commission received	26(a)	2,300,971	1,682,202	2,300,971	1,682,202
Commission paid		(7,584,543)	(6,854,647)	(7,533,222)	(6,813,699)
Premium received in advance		300,302	428,665	300,302	428,665
Unallocated premium	22	1,434,866	501,073	1,434,866	501,073
Reinsurance premium paid		(12,036,375)	(7,966,699)	(11,539,927)	(7,966,699)
Prepaid minimum deposit	11	(52,415)	(46,805)	(52,415)	(46,805)
Gross benefits and claims paid	20(a)(i)	(43,817,001)	(36,285,521)	(43,293,433)	(35,867,444)
Claims recoveries	27(b)	5,063,451	9,632,236	5,063,451	9,632,236
Receipt from deposit administration	21(a)	380,955	357,998	380,955	357,998
Withdrawal from deposit administration	21(a)	(91,692)	(59,747)	(91,692)	(59,747)
Other underwriting expenses paid	28	(3,060,839)	(1,427,216)	(3,060,839)	(1,427,216)
Payments to employees	33	(3,524,470)	(3,010,537)	(2,844,463)	(2,310,368)
Other operating cash payments		(15,195,058)	(11,786,972)	(16,810,555)	(9,862,491)
Other income received	32	2,102,316	2,685,985	1,055,724	671,961
Proceeds from disposal of AIICO Pension		3,672,726	-	3,672,726	-
Fixed income (settlement)/received		(9,540,670)	22,903,801	-	-
Income tax paid	13	(201,791)	(222,166)	(120,777)	(106,430)
Net cash flows (used in)/ from operating		**(7,994,281)**	**31,960,987**	**71,413**	**9,537,144**
Investing activities:					
Interest income received	29	16,090,097	8,768,582	13,594,000	10,347,668
Purchase of property and equipment	17	(859,035)	(682,657)	(646,772)	(632,611)
Purchase of intangible asset	16	(75,903)	(44,812)	-	(23,461)
Proceeds from sale of property and equipment		11,217	335,189	11,217	327,480
Purchase of financial assets at amortized cost	7(a)(iii)	(55,102,639)	(23,257,157)	(39,996,468)	(10,577,821)
Purchase of financial assets at FVTOCI	7(b)(ii)	(2,171,083)	(22,802,094)	(1,043,776)	(15,072,250)
Purchase of financial assets at FVTPL	7(c)(i)	(98,087,827)	(132,926,739)	(98,087,827)	(132,926,739)
Proceed on disposal/ redemption of financial assets		143,526,844	161,398,890	125,881,788	139,469,968
Net cash flows from/ (used in) investing activities		**3,331,671**	**(9,210,798)**	**(287,836)**	**(9,087,765)**
Financing activities:					
Principal payment on borrowings		-	(2,442,929)	-	(2,442,929)
Interest payment on borrowings		-	(283,291)	-	(283,291)
Receipt of right issue proceeds		-	3,389,874	-	3,389,874
Dividend paid to non controlling interest	14(e) (f)	-	(111,140)	-	-
Net cash flows (used in)/ from financing activities		**-**	**552,514**	**-**	**663,654**
Net decrease/increase in cash and cash equivalents		(4,662,609)	23,583,116	(216,424)	1,113,033
Cash and cash equivalents at 1 January		31,913,335	10,080,164	9,279,385	8,166,352
Included in the assets of the disposal group	6	(1,760,622)	(1,749,941)	-	-
Cash and cash equivalents as at 31 December		**25,490,105**	**31,913,335**	**9,062,962**	**9,279,385**

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

5 Segment Information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

- The life insurance segment offers savings, protection products and other long-term contracts (both with and without insurance risk). It comprises a wide range of whole life, term assurance, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from insurance premium, fees and commission income and investment income.

- The non-life insurance segment comprises general insurance to individuals and businesses. Non-life insurance products offered include auto, household, commercial and business interruption insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident.

- The Health segment is a Health Maintenance Organization for prepaid health plans to cater for the health needs of individuals and corporate organizations. The segment became a full subsidiary of AIICO Insurance Plc on July 1, 2012.

- The Wealth Management segment is registered and licensed by the Securities & Exchange Commission in 2012, to carry out portfolio/fund management services. The segment commenced full operations in 2014 through the provision of bespoke wealth solutions for clients, by adopting a research based approach for every investment decision. The segment offers portfolio management services, structured investments and mutual funds to suit the investment needs of corporate and individual clients.

Notes to the Consolidated and Separate Financial Statements

For the year 31 December 2021

5.1 Segment statement of profit or loss and other comprehensive income

In thousands of naira	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	31 December 2021
Gross premium written	**51,951,809**	**19,049,710**	-	**71,001,519**	**644,908**	-	-	**71,646,427**
Gross premium income from external customers	51,718,044	18,291,629	-	70,009,673	645,376	-	-	70,655,049
Premiums ceded to reinsurers	(1,724,352)	(10,408,869)	-	(12,133,221)	-	-	-	(12,133,221)
Net premium Income	**49,993,692**	**7,882,760**	-	**57,876,452**	**645,376**	-	-	**58,521,828**
Fees and Commission Income								
Insurance contract	495,505	1,789,176	-	2,284,681	-	-	-	2,284,681
Pension and other contracts	-	-	-	-	305,234	402,708	(410,874)	297,068
Net underwriting income	**50,489,197**	**9,671,936**	-	**60,161,133**	**950,610**	**402,708**	**(410,874)**	**61,103,577**
Claims expenses:								
Claims expenses (Gross)	(38,313,345)	(8,496,157)	-	(46,809,502)	(516,890)	-	-	(47,326,392)
Claims expenses recovered from reinsurer	2,709,114	4,702,613	-	7,411,727	-	-	-	7,411,727
Claims expenses (Net)	**(35,604,231)**	**(3,793,544)**	-	**(39,397,775)**	**(516,890)**	-	-	**(39,914,665)**
Underwriting expenses	(6,142,674)	(4,384,868)	-	(10,527,542)	(51,321)	-	-	(10,578,863)
Change in life fund	8,805,968	-	-	8,805,968	-	-	-	8,805,968
Change in annuity fund	11,993,313	-	-	11,993,313	-	-	-	11,993,313
Change in other investment contract	(1,064,476)	-		(1,064,476)				(1,064,476)
Total underwriting expenses	**(22,012,100)**	**(8,178,412)**	-	**(30,190,512)**	**(568,211)**	-	-	**(30,758,723)**
Underwriting (loss)/profit	**28,477,096**	**1,493,524**	-	**29,970,621**	**382,400**	**402,708**	**(410,874)**	**30,344,854**
Investment income	11,419,147	1,393,010	-	12,812,157	69,190	497,362	-	13,378,709
Profit from deposit administration	473,630	-	-	473,630	-	-	-	473,630
Net realised gains and losses	2,351,531	118,733	-	2,470,264	(70,570)	-	-	2,399,694
Fair value losses	(34,669,482)	19,000	-	(34,650,482)	-	-	-	(34,650,482)
Other operating revenue	513,150	261,675	-	774,825	74,695	971,897	-	1,821,418
Employee Benefits expense	(1,649,788)	(1,194,675)	-	(2,844,463)	(259,845)	(420,162)	-	(3,524,470)
Other operating expense	(4,041,762)	(2,894,110)	-	(6,935,872)	(201,600)	(709,122)	410,874	(7,435,720)
- Impairment expense	(3,391)	14,491	-	11,100	34,070	(17,748)	6,850	34,272
Share of Associate Profit					-	-	-	(34,902)
Profit before tax	**2,870,132**	**(788,352)**	-	**2,081,780**	**28,341**	**724,935**	**6,850**	**2,807,003**
Income tax expense	(28,656)	-	-	(28,656)	(20,183)	(117,174)		(166,013)
Minimum tax	(37,539)	(54,354)	-	(91,893)		-		(91,893)
Profit after income tax expense for the year	**2,803,937**	**(842,706)**	-	**1,961,232**	**8,158**	**607,761**	**6,850**	**2,549,097**
Discontinued operations	**1,791,868**	**1,215,566**	-	**3,007,434**	-	-	**(640,520)**	**2,366,914**
Profit for the year	**4,595,806**	**372,860**	-	**4,968,665**	**8,158**	**607,761**	**(633,670)**	**4,916,011**
Attributable to Shareholders of the Company	4,595,806	372,860	-	4,968,667	6,208	546,984	(633,670)	4,888,187
Attributable to Non-Controlling Interest	-	-	-	-	1,949	60,776	-	62,725
Other Comprehensive Income								
Net (loss)/ gain on fair value financial asset	(198,297)	(379,844)	-	(578,141)	-	(660,999)	-	(1,239,139)
Impairment reversal/(charge) on FVTOCI	(2,583)			(2,583)				(2,582)
Exchange gain on unquoted investments	-	1	-	1	-	-	-	1
Loss on equities	(85,611)	-	-	(85,611)	-	(5,470)	-	(91,081)
Other comprehensive income for the year	**(286,491)**	**(379,843)**	-	**(666,334)**	-	**(666,469)**	-	**(1,332,801)**
Total comprehensive income for the year, net of tax	**4,309,315**	**(6,983)**	-	**4,302,331**	**8,157**	**(58,708)**		**3,583,210**

No single external customer contributed 10 percent or more of the entity's revenues as at the end of the year.

In thousands of naira	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Discontinued operation	31 December 2020
Gross premium written	**47,318,385**	**14,000,013**	-	**61,318,398**	**661,269**	-	-	**61,979,667**	-	**61,979,667**
Gross premium income from external customers	46,673,368	13,365,545	-	60,038,913	641,887	-	-	60,680,800	-	60,680,800
Premiums ceded to reinsurers	(968,270)	(6,932,770)	-	(7,901,040)	-	-	-	(7,901,040)	-	(7,901,040)
Net premium Income	**45,705,098**	**6,432,775**	-	**52,137,873**	**641,887**	-	-	**52,779,760**	-	**52,779,760**
Fees and Commission Income										
Insurance contract	233,140	1,323,398	-	1,556,537	-	-	-	1,556,537		1,556,537
Pension and other contracts	-	-	-	-	268,868	390,794	(253,584)	406,078	1,511,432	1,917,510
Net underwriting income	**45,938,238**	**7,756,173**	-	**53,694,410**	**910,755**	**390,794**	**(253,584)**	**54,742,375**	**1,511,432**	**56,253,808**
Claims expenses:										
Claims expenses (Gross)	27,554,419	11,747,198	-	39,301,617	444,894	-	-	39,746,511		39,746,511
Claims expenses recovered from reinsurer	(308,359)	(7,781,439)	-	(8,089,798)	-	-	-	(8,089,798)		(8,089,798)
Claims expenses (Net)	**27,246,060**	**3,965,759**	-	**31,211,819**	**444,894**	-	-	**31,656,712**	-	**31,656,713**
Underwriting expenses	5,049,993	2,683,612	-	7,733,605	40,948	-	-	7,774,553	-	7,774,553
Change in life fund	48,530,430	-	-	48,530,430	-	-	-	48,530,430		48,530,430
Change in annuity fund	16,736,768	-	-	16,736,768	-	-	-	16,736,768		16,736,768
Change in other investment contract	(13,684,033)			(13,684,033)				(13,684,033)		(13,684,033)
Total underwriting expenses	**83,879,218**	**6,649,371**	-	**90,528,589**	**485,842**	-	-	**91,014,430**	-	**91,014,431**
Underwriting (loss)/profit	**(37,940,981)**	**1,106,801**	-	**(36,834,179)**	**424,913**	**390,794**	**(253,584)**	**(36,272,055)**	**1,511,432**	**(34,760,623)**
Investment income	10,479,680	1,331,770	-	11,811,450	94,219	599,995	(793,151)	11,712,513	88,741	11,801,254
Profit from deposit administration	54,485	-	-	54,485	-	-	-	54,485		54,485
Net realised gains and losses	6,032,415	1,367,181	-	7,399,596	-	-	-	7,399,596		7,399,596
Fair value gains/(losses)	30,630,376	(7,000)	-	30,623,376	-	-	-	30,623,376		30,623,376
Other operating revenue	561,190	200,885	-	762,075	602	1,955,726	-	2,718,403	57,695	2,776,098
Employee Benefits expense	(1,866,109)	(1,351,320)	-	(3,217,429)	(262,231)	(437,938)	-	(3,917,598)	(703,414)	(4,621,012)
Other operating expense	(3,896,017)	(2,262,002)	-	(6,158,019)	(179,214)	(1,469,282)	253,584	(7,552,932)	(571,277)	(8,124,209)
Finance costs	(56,110)	(40,632)	-	(96,743)	-	-	-	(96,743)	-	(96,743)
- Impairment loss on investments	20,027	11,087	-	31,114	1,375	(69,460)		(36,971)	1,973	(34,998)
Profit before tax	**4,018,956**	**356,769**	-	**4,375,727**	**79,664**	**969,835**	**(793,151)**	**4,632,074**	**385,150**	**5,017,223**
Income tax expense	(43,676)	432,546	-	388,870	(25,597)	(15,012)		348,261	(115,660)	232,601
Minimum tax	-	-	-	-		-				
Profit for the period	**3,975,281**	**789,315**	-	**4,764,596**	**54,068**	**954,823**	**(793,151)**	**4,980,334**	**269,490**	**5,249,823**
Attributable to Shareholders of the Company	3,975,279	789,316	-	4,764,595	41,151	859,340	(793,151)	4,871,935	189,182	5,061,120
Attributable to Non-Controlling Interest	-	-	-	-	12,916	95,482	-	108,398	80,308	188,707
Other Comprehensive Income										
Net gain on fair value financial asset	(189,516)	(1,077,249)	-	(1,266,764)	-	(1,308,259)	-	(2,575,023)		(2,575,023)
Revaluation gain/loss on property and equipment	(155,000)	-	-	(155,000)	-	-	-	(155,000)		(155,000)
Fair value gains on equity						69,159	-	69,159		69,159
Exchange gain on unquoted investments	15,923	-	-	15,923	-	-	-	15,923		15,923
(Loss)/Gains on equities	(347,525)	211,256	-	(136,269)	-	79,863	-	(56,406)		(56,406)
Other comprehensive income/(loss) for the year, net of tax	**(676,117)**	**(865,991)**	-	**(1,542,110)**	-	**(1,159,237)**	-	**(2,701,348)**	-	**(2,701,347)**
Total comprehensive income for the year, net of tax	**3,299,163**	**(76,676)**	-	**3,222,489**	**54,068**	**(204,414)**	**(793,151)**	**2,278,985**	**269,490**	**2,548,477**

No single external customer contributed 10 percent or more of the entity's revenues as at end of the period.

Notes to the Consolidated and Separate Financial Statements

For the year 31 December 2021

5.2 Segment Statement of Financial Position

In thousands of naira	Life	General	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Disposal group AIICO Pensions Limited	31 December 2021
Assets										
Cash and cash equivalents	4,835,072	4,227,890	-	9,062,962	18,975	16,408,168	-	25,490,104		25,490,104
Trade receivable	-	689,375	-	689,375	37,899	148,396	(147,151)	728,518		728,518
Reinsurance assets	2,101,479	8,286,445	-	10,387,924	-	-	-	10,387,924		10,387,924
Deferred acquisition cost	-	739,223	-	739,223	-	-	-	739,223		739,223
Financial assets:										
Amortized cost	51,130,214	12,842,697		63,972,911	925,829	14,674,294	(6,268,967)	73,304,067		73,304,067
Fair value through OCI	2,265,438	3,314,657		5,580,095	-	10,451,643	-	16,031,738		16,031,736
Fair value through profit or loss	83,165,217	-		83,165,217	-	-	-	83,165,217		83,165,217
Deferred tax asset	-	-	-	-	1,252	-	-	1,252		1,252
Investment in subsidiary	837,317	250,000		1,087,317	-	-	(1,087,317)	-		-
Investment in associate	-	-	705,691	705,691	-	-	-	705,691	(61)	705,629
Investment property	488,000	318,000	-	806,000	-	-	-	806,000		806,000
Property, plant and equipment	4,986,854	1,860,585	-	6,847,439	10,532	210,817	-	7,068,787		7,068,787
Other receivables and prepayments	3,130,036	390,984	(1,380,540)	2,140,480	12,996	258,315	-	2,411,791		2,411,790
Assets classified as held for sale	420,460	285,231	(705,691)	-	-	-	-	-	-	-
Right-of-use assets	38,830	67,025	-	105,855				105,855		105,855
Statutory deposit	200,000	300,000	-	500,000	-	-	-	500,000		500,000
Goodwill and other intangible assets	37,390	800,863	-	838,253	13,254	83,243	-	934,749		934,749
Total Assets	**153,636,307**	**34,372,975**	**(1,380,540)**	**186,628,741**	**1,020,736**	**42,234,876**	**(7,503,435)**	**222,380,917**	**(61)**	**222,380,849**
Liabilities and Equity										
Liabilities										
Trade payables	2,927,874	820,260	-	3,748,134	30,915	-		3,779,049		3,779,049
Other payables and accrual	837,266	3,937,817	(1,380,540)	3,394,548	91,954	370,864	(146,632)	3,700,218		3,700,218
Fixed income liability	-	-	-	-	-	39,775,145	(6,268,967)	33,506,178		33,506,178
Current tax payable	102,205	205,187	-	307,392	10,600	89,288	-	407,280		407,280
Deferred tax liability	-	-	-	-	-	7,666	-	7,666		7,666
Investment contract liabilities	22,829,871	-	-	22,829,871	-	-	-	22,829,871		22,829,871
Insurance contract liabilities	104,265,381	15,299,918	-	119,565,299	211,032	-	-	119,776,331		119,776,331
Total liabilities	**130,962,597**	**20,263,182**	**(1,380,540)**	**149,845,244**	**344,501**	**40,242,963**	**(6,415,599)**	**184,006,593**	**-**	**184,006,593**
Equity										
Issued share capital	8,003,650	10,298,988	-	18,302,638	600,000	750,000	(1,350,000)	18,302,638		18,302,638
Share premium	64,745	-	-	64,745	47,494	41,346	(88,840)	64,745		64,745
Revaluation reserves	1,199,619	613,088	-	1,812,707	-	-		1,812,707		1,812,707
Exchange gains reserves	127,744	47,856	-	175,600				175,600		175,600
Fair value reserve	(229,403)	(787,324)	-	(1,016,727)	-	(582,039)	(84,271)	(1,683,037)		(1,683,037)
Contingency reserve	3,987,063	4,317,541	-	8,304,604	-	-		8,304,604		8,304,604
Retained earnings	9,520,292	(380,362)	-	9,139,930	28,745	1,775,759	(553,532)	10,390,902	660,780	11,051,696
Shareholders funds	**22,673,710**	**14,109,793**	**-**	**36,783,496**	**676,239**	**1,985,066**	**(2,076,643)**	**37,368,160**	**660,780**	**38,028,952**
Non- controlling interest	-	-	-	-	-	-	988,807	988,794	(643,491)	345,303
Total equity	22,673,710	14,109,793	-	36,783,496	676,239	1,985,066	(1,087,836)	38,356,954	17,289	38,374,255
Total liabilities and equity	**153,636,307**	**34,372,976**	**(1,380,540)**	**186,628,742**	**1,020,735**	**42,228,025**	**(7,503,436)**	**222,363,547**	**17,289**	**222,380,848**

In thousands of naira	Life	General	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Disposal group AIICO Pensions Limited	31 December 2020
Assets										
Cash and cash equivalents	2,215,601	7,063,784	-	9,279,385	47,741	22,586,210	-	31,913,336	1,749,941	33,663,277
Trade receivable	-	897,597	-	897,597	8,358	264,556	(233,431)	937,079	173,459	1,110,536
Reinsurance assets	725,700	6,770,695	-	7,496,395	-	-	-	7,496,395		7,496,395
Deferred acquisition cost	-	582,265	-	582,265	-	-	-	582,265		582,265
Financial assets:										
Amortized cost	29,361,244	8,554,364		37,915,608	913,486	10,691,947	(5,468,822)	44,052,219	97,098	44,149,316
Fair value through OCI	6,457,983	4,686,879		11,144,862	-	16,927,958	(796,917)	27,275,903		27,275,903
Fair value through profit or loss	117,013,926	-		117,013,926	-	-	-	117,013,926		117,013,926
Deferred tax asset	-	-	-	-	6,168	-	-	6,168	8,491	14,659
Investment in subsidiary	1,650,627	801,732	(1,365,042)	1,087,317	-	-	(1,087,317)	-		-
Investment property	459,000	299,000	-	758,000	-	-	-	758,000		758,000
Property, plant and equipment	4,797,172	1,908,398	-	6,705,570	13,304	290,531	-	7,009,404	147,225	7,156,629
Other receivables and prepayments	2,990,292	172,664	(2,436,694)	726,262	15,497	1,685,111	-	2,426,871	18,271	2,445,142
Statutory deposit	200,000	300,000	-	500,000	-	-	-	500,000		500,000
Goodwill and other intangible assets	59,244	803,135	-	862,379	10,729	15,977	-	889,085	43,295	932,377
Assets classified as held for sale			1,365,042	1,365,042	-	-	(1,365,042)	-		-
Total Assets	**165,930,787**	**32,840,515**	**(2,436,694)**	**196,334,608**	**1,015,284**	**52,462,290**	**(8,951,529)**	**240,860,651**	**2,237,780**	**243,098,424**
Liabilities and Equity										
Liabilities										
Trade payables	1,135,492	828,401	-	1,963,893	56,831	-		2,020,724	59,954	2,080,678
Other payables and accrual	1,088,092	5,240,762	(2,436,694)	3,892,160	24,070	1,091,811	(233,431)	4,774,609	92,942	4,867,551
Fixed income liability	-	-	-	-	-	49,312,587	(6,265,739)	43,046,848	-	43,046,848
Current tax payable	118,220	189,400	-	307,620	36,052	14,426	-	358,098	131,083	489,181
Deferred tax liability	-	-	-	-	8,837	-	-	8,837	32,484	41,320
Investment contract liabilities	21,835,376	-	-	21,835,376	-	-	-	21,835,376	-	21,835,376
Insurance contract liabilities	123,391,802	12,465,170	-	135,856,973	221,415	-	-	136,078,388	-	136,078,388
Total liabilities	**147,568,982**	**18,723,733**	**(2,436,694)**	**163,856,022**	**347,205**	**50,418,824**	**(6,499,170)**	**208,122,880**	**316,462**	**208,439,343**
Equity										
Issued share capital	2,274,641	5,569,347	-	7,843,988	600,000	750,000	(2,428,777)	6,765,211	1,078,777	7,843,988
Share premium	2,307,539	4,729,641	-	7,037,181	47,494	41,346	(129,205)	6,996,816	40,365	7,037,181
Statutory reserve	-	-	-	-	-	-		-	202,042	202,042
Revaluation reserve	1,199,618	613,089	-	1,812,707	-	-		1,812,707		1,812,707
Exchange gains reserve	127,744	47,855	-	175,600				175,600		175,600
Available-for-sale reserve	(31,106)	(407,480)	-	(438,586)	-	78,958	(147,786)	(507,414)		(507,414)
Contingency reserve	3,467,544	3,746,050	-	7,213,594	-	-		7,213,594		7,213,594
Retained earnings	9,015,827	(181,723)		8,834,102	20,593	1,173,163	(703,833)	9,324,012	600,127	9,924,143
Shareholders funds	**18,361,807**	**14,116,779**	**-**	**32,478,586**	**668,087**	**2,043,467**	**(3,409,601)**	**31,780,525**	**1,921,311**	**33,701,838**
Non- controlling interest	-	-	-	-	-	-	957,243	957,243		**957,243**
Total equity	**18,361,807**	**14,116,779**	**-**	**32,478,586**	**668,087**	**2,043,467**	**(2,452,358)**	**32,737,767**	**2,878,554**	**34,659,081**
Total liabilities and equity	**165,930,789**	**32,840,513**	**(2,436,694)**	**196,334,608**	**1,015,287**	**52,462,288**	**(8,951,529)**	**240,860,649**	**2,237,787**	**243,098,424**

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6 Cash and cash equivalents

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Cash on hand	2,268	1,022	724	391
Cash in banks	4,831,744	15,728,791	4,200,237	6,206,705
Short-term deposits	22,442,215	17,943,541	4,867,214	3,075,651
Cash at bank attributable to discontinued operations (see note 18)	(1,764,924)	(1,754,244)	-	-
	25,511,303	31,919,110	9,068,175	9,282,747
Allowance for impairment on short term deposits relating to disposal group	(25,501)	(10,077)	(5,213)	(3,362)
Allowance for impairment on short term deposits transferred to disposal group (see note 18)	4,303	4,303	-	-
	25,490,105	31,913,335	9,062,962	9,279,385
At 1 January	(5,774)	(10,077)	(3,362)	(3,362)
(Charge)/ recovery in the year	(19,726)	-	(1,851)	-
Allowance for impairment on short term deposits transferred to disposal group (see note 18)	4,303	4,303	-	-
Balance as at	(21,198)	(5,774)	(5,213)	(3,362)
	25,490,105	31,913,335	9,062,962	9,279,385
Non Current	-	-	-	-
	25,490,105	31,913,335	9,062,962	9,279,385

(a) Short-term deposits are made for 'varying periods' of between one day and three months, depending on the immediate cash requirements of the Group and Company. The carrying amounts disclosed above reasonably approximate fair value at the reporting date and the average interest rate on the short-term deposits as at the reporting date was 8% per annum.

7 Financial assets

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Financial assets at amortized cost (see note (a) below)	73,506,456	44,149,317	63,972,911	37,915,608
Fair value through other comprehensive income (see note (b) below)	16,031,736	27,275,901	5,580,095	11,144,862
Fair value through profit or loss (see note (c) below)	83,165,217	117,013,926	83,165,217	117,013,926
Amortised cost financial assets transferred to disposal group	(202,389)	(97,097)	-	-
	172,501,020	188,342,047	152,718,223	166,074,396
Current	99,196,953	28,720,379	88,745,312	11,566,151
Non Current	73,304,067	159,621,668	63,972,911	154,508,245
	172,501,020	188,342,047	152,718,223	166,074,396

(a) Financial assets at amortized cost

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Federal government bonds	54,049,576	29,248,522	53,883,240	29,211,993
Treasury bills	15,521,762	12,097,447	-	-
Other financial assets (see (i) below)	-	-	6,268,966	5,986,564
Corporate bond	100,493		100,493	
Loans to policyholders (see note (d)(i))	2,620,611	2,105,215	2,620,611	2,105,215
Staff loans	1,018,841	561,027	910,476	483,302
Agent loans	80,188	46,647	80,188	46,647
Other loans	134,465	117,785	134,465	117,785
Transfer to disposal group	(202,495)	(97,203)	-	-
	73,323,441	44,079,440	63,998,439	37,951,506
Allowance for Impairment of other loans (see (ii) below)	(1,697)	(16,576)	(898)	(3,142)
Allowance for Impairment of treasury bills (see (ii) below)	-	(1,032)	-	-
Allowance for Impairment of bonds (see (ii) below)	(17,780)	(9,716)	(17,780)	(9,715)
Allowance for Impairment of other financial assets (see (ii) below)	-	-	(6,850)	(23,039)
Allowance for impairment transferred to disposal group	106	106	-	-
	73,304,067	44,052,220	63,972,911	37,915,608

(i) Other financial aasets relates to an investment in AIICO Capital's GIN (Guaranteed income note) for investment in bonds and treasury bills at a guaranteed return of 10%. AIICO Capital is regulated by Securities and Exchange Commission (SEC) to invest in the capital market and carries out this type of investments for its clients.

(ii) Movement in impairment allowance during the year is as follows:

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
At 1 January	27,218	37,187	35,897	36,154
12 months ECL charge for the year bonds	8,065	(19,937)	8,065	(19,937)
12 months ECL charge for the year treasury bills	(1,032)	(809)	-	(597)
12 months ECL charge for the year other loans	(14,879)	10,671	(2,244)	(2,763)
12 months ECL charge for the year other financial assets	-	-	(16,189)	23,039
Transferred to disposal group	-	106	-	-
Balance as at	19,373	27,218	25,529	35,897

(iii) Movement in amortized cost portfolio is as follows;

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Balance at 1 January	44,079,333	43,608,155	37,951,504	42,263,082
Additions during the year	55,102,639	23,257,157	39,996,468	10,577,821
Disposals/Repayments	(26,039,538)	(24,845,248)	(14,894,483)	(15,530,731)
Accrued interest	383,396	2,156,473	944,950	641,332
Transferred to disposal group (see note 18)	(202,495)	(97,203)	-	-
	73,323,335	44,079,333	63,998,439	37,951,504
Allowance for 12 months ECL charge (see (ii) above)	(19,373)	(27,219)	(25,528)	(35,897)
Allowance for impairment transferred to disposal group	106	106	-	-
	73,304,067	44,052,220	63,972,911	37,915,608

(b) Financial assets classified at fair value through other comprehensive income

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Federal Government bonds	12,503,621	10,968,936	2,084,327	5,794,840
Corporate bonds	240,157	382,273	240,157	382,271
Treasury bills	-	10,924,595	-	-
Equities (see note (i) below)	3,287,958	5,000,098	3,255,611	4,967,751
	16,031,736	27,275,901	5,580,095	11,144,862

(i) Equity instruments designated at fair value through other comprehensive income

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Quoted equities	589,313	1,863,882	556,966	1,831,535
Unquoted equities	2,698,645	3,136,216	2,698,645	3,136,216
	3,287,958	5,000,098	3,255,611	4,967,751

(ii) Movement in financial asset classified as fair value through other comprehensive income (FVTOCI) is as follows;

In thousands of naira				
Balance at 1 January	27,275,901	31,712,734	11,144,862	9,698,351
Additions during the year	2,171,083	22,802,094	1,043,776	15,072,250
Disposals	(12,811,450)	(25,348,753)	(6,311,450)	(12,765,010)
Exchange (loss)/ gain	-	15,923	-	15,923
Accrued interest	637,924	599,843	281,045	390,113
Fair value loss during the year	(1,241,721)	(2,505,939)	(578,139)	(1,266,765)
Balance as at	16,031,736	27,275,901	5,580,094	11,144,862

(c) Financial assets classified at fair value through profit or loss

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Federal Government bonds	83,116,679	116,497,203	83,116,679	116,497,203
State Government bonds	48,538	143,815	48,538	143,815
Corporate bonds	-	372,908	-	372,908
Treasury bills	-	-	-	-
Balance as at 31 December 2021	83,165,217	117,013,926	83,165,217	117,013,926

(i) Movement in financial asset classified as fair value through profit or loss (FVTPL) is as follows;

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Balance at 1 January	117,013,926	51,543,372	117,013,926	51,543,372
Additions during the year	98,087,827	132,926,739	98,087,827	132,926,739
Disposals during the year	(102,216,809)	(103,807,873)	(102,216,809)	(103,807,873)
Accrued interest	4,978,756	5,714,312	4,978,756	5,714,312
Fair value (loss)/ gain during the year (Note 30)	(34,698,482)	30,637,376	(34,698,482)	30,637,376
Balance as at 31 December 2021	83,165,217	117,013,926	83,165,217	117,013,926

(d)

(i) Gross movement in financial assets 2021 (Group)

In thousands of naira	Amortised cost	FVOCI	FVTPL	Total
Balance at 1 January	44,079,333	27,275,901	117,013,926	188,369,160
Additions during the year	55,102,639	2,171,083	98,087,827	155,361,549
Disposals/Repayments during the year	(26,039,538)	(12,811,450)	(102,216,809)	(141,067,797)
Accrued interest	383,396	637,924	4,978,756	6,000,076
Fair value (loss)/ gain	-	(1,241,721)	(34,698,482)	(35,940,203)
Exchange gain	-	-	-	-
Impairment loss	(19,373)	-	-	(19,373)
Transferred to disposal group	(202,389)	-	-	(202,389)
	73,304,068	**16,031,736**	**83,165,218**	**172,501,024**

(ii) Gross movement in financial assets 2020 (Group)

In thousands of naira	Amortised cost	FVOCI	FVTPL	Total
Balance at 1 January	43,608,155	31,712,734	51,543,372	126,864,260
Additions during the year	23,257,157	22,802,094	132,926,739	178,985,990
Disposals/Repayments during the year	(24,845,248)	(25,348,753)	(103,807,873)	(154,001,874)
Accrued interest	2,156,473	599,843	5,714,312	8,470,627
Fair value loss	-	(2,505,939)	30,637,376	28,131,437
Exchange gain	-	15,923	-	15,923
Impairment loss	(27,219)	-	-	(27,219)
Transferred to disposal group	(97,097)	-	-	(97,097)
	44,052,220	**27,275,901**	**117,013,926**	**188,342,047**

(iii) Gross movement in financial assets 2021 (Company)

In thousands of naira	Amortised cost	FVOCI	FVTPL	Total
Balance at 1 January	37,951,504	11,144,862	117,013,926	166,110,291
Additions during the year	39,996,468	1,043,776	98,087,827	139,128,071
Disposals/Repayments during the year	(14,894,483)	(6,311,450)	(102,216,809)	(123,422,742)
Accrued interest	944,950	281,045	4,978,756	6,204,751
Fair value (loss)/ gain	-	(578,139)	(34,698,482)	(35,276,621)
Exchange gain	-	-	-	-
Impairment loss	(25,528)	-	-	(25,528)
	63,972,911	**5,580,095**	**83,165,217**	**152,718,223**

(iv) Gross movement in financial assets 2020 (Company)

In thousands of naira	Amortised cost	FVOCI	FVTPL	Total
Balance at 1 January	42,263,082	9,698,351	51,489,251	103,450,684
Additions during the year	10,577,821	15,072,250	132,926,739	158,576,810
Disposals/Repayments during the year	(15,530,731)	(12,765,010)	(103,753,752)	(132,049,493)
Accrued interest	641,332	390,113	5,714,312	6,745,757
Fair value (loss)/ gain	-	(1,266,765)	30,637,376	29,370,611
Exchange gain	-	15,923	-	15,923
Impairment loss	(35,897)	-	-	(35,897)
	37,915,608	**11,144,862**	**117,013,926**	**166,074,396**

(e)(I) Policy loans

The Group granted loans to policyholders in line with the insurance policy provisions (terms and conditions). The maximum loan amount that could be granted to policyholders is 90% of the policy cash value. The cash value (worth of the policy as determined by the actuary) is the cash amount due to policyholders upon surrender of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted.

The tenor of the loan is within the policy duration and such policy must be in force and must have acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently 12% per annum and it is reviewed annually.

The rate is determined after due consideration on the interest rate used by the actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings. Policy loans are not impaired as balances are set-off against benefits accruable to the policyholders.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Group

Fair value measurements as at 31 December 2021

In thousands of naira	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
-Federal Government bonds	-	83,116,679	-	83,116,679
-State Government bonds	-	48,538	-	48,538
Group Financial Assets at FVTPL as at 31 December 2021	-	83,165,217	-	83,165,217
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	12,503,621	-	12,503,621
-Corporate bonds	-	240,157	-	240,157
-Treasury bills	-	-	-	-
-Quoted equities	589,313		-	589,313
-Unquoted equities	-	-	2,698,645	2,698,645
Group Financial Assets at FVOCI as at 31 December 2021	589,313	12,743,778	2,698,645	16,031,737

Fair value measurements At 31 December 2020

In thousands of naira	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	116,497,203	-	116,497,203
-State Government bonds	-	143,815	-	143,815
-Corporate bonds	-	372,908	-	372,908
Group Financial Assets at Fair value as at 31 December 2020	-	117,013,926	-	117,013,926
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	10,968,936	-	10,968,936
-Corporate bonds	-	382,272	-	382,272
-Treasury bills	-	10,924,594	-	10,924,594
-Quoted equities	1,863,882	-	-	1,863,882
-Unquoted equities	-	-	3,136,216	3,136,216
Group Financial Assets at Fair value as at 31 December 2020	1,863,882	22,275,802	3,136,216	27,275,900

Fair value measurements At 31 December 2021

Company

In thousands of naira	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	83,116,679	-	83,116,679
-State Government bonds	-	48,538	-	48,538
Company Financial Assets at Fair value as at 31 December 2021	-	83,165,217	-	83,165,217
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	2,084,327	-	2,084,327
-Corporate bonds	-	240,157	-	240,157
-Quoted equities	556,966	-	-	556,966
-Unquoted equities	-	-	2,698,645	2,698,645
Company Financial Assets at Fair value as at 31 December 2021	556,966	2,324,484	2,698,645	5,580,095

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Fair value measurements At 31 December 2020
Company

In thousands of naira	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	116,497,203	-	116,497,203
-State Government bonds	-	143,815	-	143,815
-Corporate bonds	-	372,908		372,908
Company Financial Assets at Fair value as at 31 December 2020	-	117,013,926	-	117,013,926
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	5,794,839	-	5,794,839
-Corporate bonds	-	382,272	-	382,272
-Quoted equities	1,831,535	-	-	1,831,535
-Unquoted equities	-	-	3,136,216	3,136,216
Company Financial Assets at Fair value as at 31 December 2020	1,831,535	6,177,111	3,136,216	11,144,862

Recognised fair value measurements
There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values
Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments – Price to book value approach.

All of the resulting fair value estimates are included in level 1, except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were weighted average cost of capital..

Group

Type of Investment	Valuation technique	Significant unobservable inputs	Range (Weighted Average)	Sensitivity of the input to fair value
Non-listed equity in Insurance Sector	Market price to book value	Management assumptions and judgements on financial statements (book value)	2021: 2.1%-3.9% (3%) 2020: 2.1%-3.5% (2.8%)	5% (2021: 5%) increase in the growth rate would result in an increase (decrease) in fair value by N36.4million (2020: 68.7million)
Non-listed equity in Health Sector	Market price to book value	Management assumptions and judgements on financial	2021: 2.1%-3.9% (3%) 2020: 2.1%-3.5% (2.8%)	5% (2021: 5%) increase in the growth rate would result in an increase (decrease) in fair value by N5.1million (2020: 36.2million)
Non-listed equity in Finance Sector	Market price to book value	Management assumptions and judgements on financial statements (book value)	2021: 2.1%-3.9% (3%) 2020: 2.1%-3.5% (2.8%)	5% (2021: 5%) increase in the growth rate would result in an increase (decrease) in fair value by N64.9billion (2020: 1.2billion)

8 Trade receivables

(a) Trade receivables comprise:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Due from brokers	689,375	897,596	689,375	897,596
Due from direct clients (see note (i) below)	285,625	347,664	-	-
Trade receivables attributable to discontinued operations (see note 18)	(154,771)	(189,132)	-	-
	820,229	1,056,128	689,375	897,596
Allowance for impairment on trade receivables (see note (ii) below)	(107,384)	(134,724)	-	-
Allowance for impairment on trade receivables ttributable to discontinued operations (see note (18) below)	15,673	15,673	-	-
	728,518	937,078	689,375	897,596

Age Analysis of trade receivables:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Within 30 days	689,375	897,597	689,375	897,596
Above 30 days	39,143	39,481	-	-
Balance as at	728,518	937,078	689,375	897,596

(i) Due from direct clients relates to fees receivables.

(ii) The movement in impairment allowance during the year is shown below;

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
At 1 January	134,724	195,973	-	-
Charge/(Reversal) for the year (Note 35 a)	(43,013)	(61,249)	-	-
	91,711	134,724	-	-

9 Reinsurance assets

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20

Reinsurance assets is analyzed as follows:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Prepaid reinsurance (see note (a) below)	2,478,884	1,935,631	2,478,884	1,935,631
Recoverable on outstanding claims (see note (b) below	6,582,652	5,068,358	6,582,652	5,068,358
Recoveries on Claims paid (see note (c) below)	1,326,388	492,406	1,326,388	492,406
	10,387,924	7,496,395	10,387,924	7,496,395
Current	10,387,924	7,496,395	10,387,924	7,496,395
Non Current	-	-	-	-
Balance at 31 December	10,387,924	7,496,395	10,387,924	7,496,395

Reinsurance assets by business segment is analysed as follows;

(i) Life reinsurance assets

in thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Prepaid reinsurance	385,934	239,598	385,934	239,598
Recoverable on outstanding claims	838,764	362,441	838,764	362,441
Recoverable on Claims paid	876,781	123,661	876,781	123,661
	2,101,479	725,700	2,101,479	725,700

(ii) Non life reinsurance assets;

in thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Prepaid reinsurance	2,092,950	1,696,033	2,092,950	1,696,033
Recoverable on outstanding claims	5,743,888	4,705,917	5,743,888	4,705,917
Recoverable on Claims paid	449,607	368,745	449,607	368,745
	8,286,445	6,770,695	8,286,445	6,770,695

(a) The movement in prepaid reinsurance is as follows;

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January	1,935,631	1,442,243	1,935,631	1,442,243
Additions during the year	12,676,474	8,394,428	12,676,474	8,394,428
Reinsurance expense in the year (see note 24c)	(12,133,221)	(7,901,040)	(12,133,221)	(7,901,040)
Balance as at	2,478,884	1,935,631	2,478,884	1,935,631

(b) The movement in reinsurance on outstanding claims is as follows;

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January	5,068,358	3,694,393	5,068,358	3,694,393
Changes during the year	1,514,294	1,373,965	1,514,294	1,373,965
Balance as at	6,582,652	5,068,358	6,582,652	5,068,358

(c) The movement in recoveries on claims paid is as follows;

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January	492,406	323,933	492,406	323,933
Changes during the year	833,982	168,473	833,982	168,473
Balance as at	1,326,388	492,406	1,326,388	492,406

10 Deferred acqusition costs

The analysis of deferred acquisition costs(DAC), which represents commission paid during the year on unearned premium received on different classes of business is shown below:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Fire	184,806	145,566	184,806	145,566
Motor	251,336	197,970	251,336	197,970
Workmen Compensation	29,569	23,291	29,569	23,291
Marine	110,883	87,340	110,883	87,340
Personal accident	51,746	40,759	51,746	40,759
Casualty accident	73,922	58,227	73,922	58,227
Oil and Gas	36,961	29,113	36,961	29,113
	739,223	582,265	739,223	582,265
The movement in deferred acquisition costs is as follows:				
Balance at 1 January	582,265	488,884	582,265	488,884
Acquisition during the year	7,674,982	6,440,718	7,623,661	6,399,770
Amortization for the year (see note 27)	(7,518,024)	(6,347,337)	(7,466,703)	(6,306,389)
Balance as at	739,223	582,265	739,223	582,265
Current	739,223	582,265	739,223	582,265
Non Current	-	-	-	-
Balance as at	739,223	582,265	739,223	582,265

11 Other receivables and prepayments

In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Prepaid expenses (see note (i) below)	730,110	508,592	730,110	465,583
Short term lease payment	156,613	24,566	25,483	24,566
Prepaid minimum deposit	52,415	46,805	52,415	46,805
Receivable from agents	76,768	34,235	76,768	34,235
WHT Receivable-Dividend	90,701	81,879	90,701	81,879
Sundry receivables (see note (ii) below)	1,152,137	1,708,807	1,011,956	51,207
Receivable from part disposal of subsidiary (see note (iii) below)	153,047	-	153,047	-
Doubtful receivables (see note (iv) below)	68,588	68,588	68,588	68,588
	2,480,378	2,473,472	2,209,068	772,863
Less allowance for impairment	(68,588)	(68,588)	(68,588)	(68,588)
	2,411,790	2,404,884	2,140,480	704,275

In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Current	2,411,790	2,404,884	2,140,480	704,275
Non Current	-	-	-	-
Balance as at	2,411,790	2,404,884	2,140,480	704,275

(i) Prepaid expenses relate to rent and other expenses.

(ii) Included in sundry receivables are prepayment to lead co-insurances in relation to claims yet to be incured on facultative businesses. This is to promptly idemnify the insured in due course without delay before recovering from other co-insurers.

(iii) Receivable from part disposal of subsidiary relates to the proceeds from disposal of 33.91% of the shares of AIICO pensions which represents 48.1% of the company's total investment in the company. The funds were subsequently received after year end.

(iv) This represents receivable amount under reconciliation and which are likely to be written off based on the available information.

12 Right of use assets	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Balance at 1 January				
Additions	21,987	21,638	21,987	21,638
Amortization in the year	188,166	87,514	188,166	87,514
Balance as at	(104,297)	(87,166)	(104,297)	(87,166)
	105,855	21,987	105,855	21,987

There are no lease liability in relation to the right of use assets as it relates to rents paid in advance for period ranging from 12months and above and there were no lease incentives granted to the group.

13 Income taxes

(a) Current income tax payable

The movement in current income tax payable can be analyzed as follows:

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Balance at 1 January	358,099	487,112	307,621	361,505
Charge for the year	257,905	93,153	120,548	52,545
Payments made during the year	(201,791)	(222,166)	(120,777)	(106,430)
Transferred to disposal group (see note 18(b))	(6,931)	-	-	-
Balance as at	407,282	358,099	307,392	307,621

(b) Amounts recognised in profit or loss

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Minimum tax (see note (iii) below)	91,893	45,604	91,893	45,604
	91,893	45,604	91,893	45,604

In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
(i) Income tax expense				
Current income tax expense	257,763	208,612	120,406	52,344
Police Trust Fund Levy	143	201	143	201
Tertiary tax	-	-	-	-
NITDA levy	-	-	-	-
Income tax attributable to discontinued operation	-	(115,660)	-	-
Current income tax expense	257,905	93,153	120,548	52,545
Deferred tax expense				
Origination of temporary differences	-	(441,415)	-	(441,415)
Total deferred income tax (benefit)/ expense	-	(441,415)	-	(441,415)
Total income taxes	**257,905**	**(348,262)**	**120,548**	**(388,870)**

(ii) Current Income tax expense

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Minimum tax (see note (i) above)	91,893	45,604	91,893	45,604
Corporate tax (see note (i) above)	162,267	47,549	28,655	6,941
Deferred tax (benefit)/expense	3,745	(441,415)	-	(441,415)
Current income tax expense	**257,905**	**(348,262)**	**120,548**	**(388,870)**

* The Company was assessed to minimum tax using section 16 of the Company Income Tax Act (CITA) as there was no taxable profit.

The Directors believe that accruals for tax liabilities are adequate for all open tax years based on its assessment of relevant factors, including the interpretations of tax law and tax practices in the determination of obligation for income taxes.

(iii) Effective tax reconciliation

Tax on the Group's profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidated entities as follows:

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	Group				Company			
	2021		2020		2021		2020	
Profit for the year		2,807,001		4,632,074		2,081,778		4,375,727
Tax calculated at domestic rate applicable in Nigeria at 30% (2020: 30%)	30%	842,258	30%	1,389,622	30%	624,533	30%	1,312,718
Effect of:								
Tax exempt income	-184%	(5,166,540)	-93%	(4,289,229)	-248%	(5,171,072)	-98%	(4,303,359)
Disallowable expenses	10%	279,314	4%	184,621	20%	408,235	6%	247,200
Unrecognised tax losses	147%	4,113,924	59%	2,743,442	199%	4,138,304	63%	2,743,442
Minimum tax	3%	91,893	0%	5,061	4%	91,893	0%	5,061
Impact of industry tax law	0%	178	0%	48	0%	142	0%	-
NITDA levy	1%	35,762	1%	57,901	1%	28,513	1%	47,483
Education tax	0%	6,436	0%	1,687	0%	-	0%	-
Backduty	2%	54,680	0%	-	0%	-	0%	-
Effect of deferred taxes reversed	0%	-	-10%	(441,415)	0%	-	-10%	(441,415)
	10%	257,905	-8%	(348,262)	6%	120,548	-9%	(388,870)

(c) **Amounts recognised in OCI**

Group

In thousands of naira	Dec-21 Before tax	Tax (expense)	Net of tax
Exchange gains on fair value financial assets	-	-	-
Fair value gain on fair value financial assets (see note 24 d)	(1,239,138)	-	(1,239,138)
Balance as at	(1,239,138)	-	(1,239,138)

Company

In thousands of naira	Dec-21 Before tax	Tax (expense)	Net of tax
Exchange gains on fair value financial assets (see note 24 e)	-	-	-
Fair value gain on fair value financial assets (see note 24 d)	(575,556)	-	(575,556)
Balance as at	(575,556)	-	(575,556)

Group

In thousands of naira	Dec-20 Before tax	Tax (expense)	Net of tax
Exchange gains on fair value financial assets	15,923	-	15,923
Fair value loss on fair value financial assets	(2,550,383)	8,182	(2,542,201)
Balance as at	(2,534,460)	8,182	(2,526,278)

Company

In thousands of naira	Dec-20 Before tax	Tax (expense)	Net of tax
Exchange gains on fair value financial assets	15,923	-	15,923
Fair value loss on fair value financial assets	(1,236,135)	-	(1,236,135)
Balance as at	(1,220,212)	-	(1,220,212)

(d) **Movement in deferred tax balances**

2021

Group

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	(3,931)	(3,628)	-	(7,559)	(563)	(6,996)
Unrelieved losses	3,077	(3,077)	-	-	-	-
Unrealised exchange gain on financial assets	(1,815)	2,960	-	1,145	1,815	(670)
	(2,669)	**(3,745)**	**-**	**(6,414)**	**1,252**	**(7,666)**

2021 **Company** *In thousands of naira*	**Net balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Balance at 31 December** **Deferred tax assets**	**Deferred tax liabilities**
Property and equipment	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
	-	-	-	-	-	-

2020 **Group** *In thousands of naira*	**Net balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Balance at 31 December** **Deferred tax assets**	**Deferred tax liabilities**
Property and Equipment	(481,164)	441,415	-	(3,931)	3,091	(7,022)
Unrelieved losses	3,077	-	-	3,077	3,077	-
Unrealised exchange gain on financial assets	(1,815)	-	-	(1,815)	-	(1,815)
	(479,902)	**441,415**	**-**	**(2,669)**	**6,168**	**(8,837)**

2020 **Company** *In thousands of naira*	**Net balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Balance at 31 December** **Deferred tax assets**	**Deferred tax liabilities**
Property and equipment	(441,415)	441,415	-	-	-	-
Investment property	-	-	-	-	-	-
	(441,415)	**441,415**	**-**	**-**	**-**	**-**

(e) Unrecognised deferred tax on unrelieved losses

In thousands of naira	Group Dec-21	Dec-20	Company Dec-21	Dec-20
Unrecognised deferred tax	11,870,014	11,870,014	11,870,014	11,870,014
	11,870,014	11,870,014	11,870,014	11,870,014

This represents the deferred tax on unrelieved losses on the life and non life businesses.
The Group did not recognise this amount as it is of the view that it may not be probable to have taxable profits against which the tax assets can be utilised, due to the four-year tax lapse year for unrelieved losses for insurance companies in Nigeria.

Investment in subsidiaries

14 The Group is made up of four entities, as follows:

AIICO Insurance PLC	- Parent
AIICO Pension Managers Limited	- Associate
AIICO Multishield Limited	- Subsidiary
AIICO Capital Limited	- Subsidiary

In thousands of naira	Group Dec-21	Dec-20	Company Dec-21	Dec-20
AIICO Multishield Limited(see note (c) below)	-	-	587,317	587,317
AIICO Capital Limited see note (d) below)	-	-	500,000	500,000
Balance as at	-	-	1,087,317	1,087,317

(a) The movement in investment in subsidiaries is as follows:

In thousands of naira	Group Dec-21	Dec-20	Company Dec-21	Dec-20
Balance at 1 January	-	-	1,087,317	2,452,359
Assets classified as held for sale	-	-	-	(1,365,042)
Balance as at	-	-	1,087,317	1,087,317

(b) AIICO Pension Managers Limited

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January	-	-	1,365,042	1,365,042
Classified to assets held for sale	-	-	(1,365,042)	(1,365,042)
Balance as at	-	-	-	-

AIICO Pension Managers Limited is involved in Pension Administration Services to private and public sector contributors. It was incorporated as a Limited Liability Company on February 1, 2005 under the Companies and Allied Matters Act of Nigeria 2020 and licensed as a Pension Fund Administrator by the National Pension Commission on April 13, 2006. It is domiciled in Nigeria and its registered office is at Plot 2 Oba Akran Avenue, Ikeja Lagos.

During the year, AIICO Insurance disposed part of its investments in AIICO Pensions, thereby reducing its holdings from 70.2% to 36.29% by the sales of 33.91%. This effectively reduced AIICO Pensions from a subsidiary to an associated company thereby giving up control on the basis of the remaining number of shares in AIICO Pension. (See Note 18 for further details and Notes (e), (g), (h) below for the gain on part disposal and reduction of the holdings to an associated Company).

This subsidiary was fully disposed of subsequently (see Note 44b under Events after the Reporting Period).

(c) AIICO Multishield Limited

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January	-	-	587,317	587,317
Balance as at	-	-	587,317	587,317

(ii) The Company has 76.10% interest in AIICO Multishield Limited (2018: 76.10%). AIICO Multishield Limited is involved in health management insurance.

(d) AIICO Capital Limited

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January	-	-	500,000	500,000
Balance as at	-	-	500,000	500,000

This represents the Company's 90% (2020: 90%) investment in AIICO Capital Limited. AIICO Capital is involved in providing portfolio and fund management services.

(e) Non-controlling interests

In thousands of naira	NCI Percentage Holding	Dec-21	NCI Percentage Holding	Dec-20
AIICO Pension Managers Limited	29.8%	608,018	29.8%	592,484
AIICO Multishield HMO	23.9%	146,797	23.9%	160,401
AIICO Capital	10.0%	198,507	10.0%	204,357
Transfer to sale of discontinued operation	(29.8%)	(608,018)	0.0%	-
		345,304		957,242

(f) The movement in the NCI account during the year is as follows:

In thousands of naira	Dec-21	Dec-20
Balance at 1 January	957,243	995,599
Share of profit	62,725	188,707
Realized gain/ (loss) on equities	(547)	7,986
Fair value reserves	(66,100)	(123,910)
Dividend paid	-	(111,140)
Transfer to sale of discontinued operation	(608,018)	-
Balance as at	345,303	957,243

(g) Non current asset held for sale
AIICO Pension Managers Limited

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January	-	-	1,365,042	1,365,042
Part disposal	-	-	(659,351)	-
Reclassified to investment in associate (see Note	-	-	(705,691)	-
Balance as at	-	-	-	1,365,042

(h) Profit from disposal of investment in subsidiary

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Consideration	3,825,773	-	3,825,773	-
Less:				
Cost to sell	(158,988)	-	(158,988)	-
Carrying value of amount disposed (see note 18.1(b))	(691,831)	-	(659,351)	-
NCI share of discontinued operation (see note 18.1(b))	(608,040)	-	-	-
Profit from sale of discontinued operation	2,366,914		3,007,434	

(i) Investment in associate

AIICO Pension Managers Limited

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January		-	-	-
Reclassifed from assets held for sale (see note 18.1(b))	740,532	-	705,691	-
Share of associate profit (see Note 18.2)	(34,902)	-	-	-
Balance as at	705,629	-	705,691	-

15 Investment properties

(a) The balance in this account can be analysed as follows:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Balance at 1 January	758,000	772,000	758,000	772,000
Changes in fair value (Note 30)	48,000	(14,000)	48,000	(14,000)
Balance as at	806,000	758,000	806,000	758,000
Current	-	-	-	-
Non Current	806,000	758,000	806,000	758,000
Balance as at	806,000	758,000	806,000	758,000

Changes in fair values are recognised as gains in profit or loss and included in 'other operating income'. All gains are unrealised.

The items of investment property are valued as shown below:
Investment properties, principally residential buildings, are held for long term rental yields and are not occupied by the Group. They are carried at fair value. Property interest held under operating

(i) **The movement in investment property is as follows;**

Group

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Status
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	258,000	-	-	18,000	**276,000**	Deed of lease
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	250,000	-	-	15,000	**265,000**	Deed of Assigment
1 Unit Terrace Houses GRA	90,000	-	-	5,000	**95,000**	Deed of Assigment
Awolowo Towers	160,000	-	-	10,000	**170,000**	Deed of Assigment
	758,000	-	-	**48,000**	**806,000**	

Company

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Title
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	258,000	-	-	18,000	**276,000**	Deed of lease
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	250,000	-	-	15,000	**265,000**	Deed of Assigment
1 Unit Terrace Houses GRA	90,000	-	-	5,000	**95,000**	Deed of Assigment
Awolowo Towers	160,000	-	-	10,000	**170,000**	Deed of Assigment
	758,000	-	-	**48,000**	**806,000**	

(b) **Measurement of fair values**

(i) ***Fair value hierarchy***

The fair value of investment properties was determined by an external, independent property valuer, having relevant recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent valuer, Niyi Fatokun of Niyi Fatokun & Co. (Estate Surveyors and Valuers, FRC/2013/NIESV/70000000/1217) valued the properties on the basis of open market value as at 31 December 2021.

The fair value measurement for the investment properties of ₦806billion (2020: ₦758million) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

None of the Group's assets had been pledged as collateral during the year.

(ii) ***Valuation technique***

The following table shows the valuation technique used in measuring the fair value of investment property.

Location of properties	*Valuation technique*	*Significant observable inputs*
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	Market comparison approach	Recent sale price of similar property in the same area at the time of valuation was N45m
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	Market comparison approach	A newly built terrace house in the same environment was sold at N110m
1 Unit Terrace Houses GRA	Market comparison	A newly built terrace house in the same environment was sold at N110m
Awolowo Towers	Income approach/ DCF	Estimated rent per annum is between N4m - N4.5m and capitalization rate of 4.75%

Amounts recognised in profit or loss for investment properties

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Rental income from operating leases	22,933	-	22,933	-
Fair value gain/ loss recognised in other income	48,000	(14,000)	48,000	(14,000)
	70,934	(14,000)	70,934	(14,000)

16 Goodwill and other intangible assets

(a) Reconciliation of carrying amount

GROUP	Goodwill	Computer Software	Total
Balance at 1 January 2021	800,863	591,870	1,392,733
Acquisitions	-	75,903	75,903
Balance at 31 December 2021	800,863	667,773	1,468,636
Accumulated amortization			
Balance at 1 January 2021	-	503,651	503,651
Amortization	-	30,236	30,236
Balance at 31 December 2021	-	533,887	533,887
Carrying amounts			
Balance at 31 December 2021	800,863	133,886	934,748
Cost			
Balance at 1 January 2020	800,863	788,944	1,589,807
Acquisitions	-	44,812	44,812
Transfer to disposal group		(241,886)	(241,886)
Balance at 31 December 2020	800,863	591,870	1,392,733

	Goodwill	Computer Software	Total
Accumulated amortization			
Balance at 1 January 2020	-	603,944	603,944
Amortization	-	98,114	98,114
Adjustments		182	182
Transfer to disposal group	-	(198,590)	(198,590)
Balance at 31 December 2020	-	503,650	503,650
Carrying amounts			
Balance at 31 December 2020	800,863	88,219	889,082

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In thousands of naira	Goodwill	Computer Software	Total
Cost			
Balance at 1 January 2020	800,863	537,778	1,338,641
Acquisitions	-	-	-
Balance at 31 December 2021	800,863	537,778	1,338,641
Accumulated amortization			
Balance at 1 January 2020	-	476,263	476,263
Amortization	-	24,126	24,126
Balance at 31 December 2021	-	500,389	500,389
Carrying amounts			
Balance at 31 December 2021	800,863	37,389	838,252
Cost			
Balance at 1 January 2020	800,863	514,317	1,292,431
Acquisitions	-	23,461	-
Balance at 31 December 2020	800,863	537,778	1,292,431
Accumulated amortization			
Balance at 1 January 2020	-	408,500	408,500
Amortization	-	67,580	67,580
Adjustments	-	182	182
Balance at 31 December 2020	-	476,262	476,262
Carrying amounts			
Balance at 31 December 2020	800,863	61,516	862,379

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts. The recoverable amount was calculated using the free cashflow method (FCFF) with the the assumption that managemnet would continue to pay out 40% of PAT as dividend over the next five years at a long term growth rate of 10%. These variabes are discounted using the prevailing average FGN Bond rate as at each review date having considered inflation and tax. The recoverable amount is viewed from three scenarios, which are the best case, base case and the worse case. By virtue of the techniques adopted in assessing impairment on goodwill, the carrying amount is below the recoverable amount, as such no impairment. The goodwill was as a result of the merger with Nigeria-French Insurance company and LAMDA in 2007.

17 Property and equipment
(a) Group

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2021	1,715,000	4,094,891	88,209	2,701,544	1,486,850	10,086,495
Additions	-	-	38,559	722,113	98,363	859,035
Reclassification	-	-	(104,354)	104,354	-	-
Disposals	-	-	-	(9,084)	(134,721)	(143,805)
Transfer to disposal group (Note 18)	-	-	-	(456,995)	(256,214)	(713,209)
At 31 December 2021	1,715,000	4,094,891	22,415	3,067,003	1,194,277	10,093,586
Accumulated depreciation						
At 1 January 2021	-	122,709	-	2,153,912	800,471	3,077,091
Depreciation for the year	-	81,800	-	292,646	235,601	610,046
Disposals	-		-	(4,975)	(79,477)	(84,452)
Transfer to disposal group (Note 18)	-	-	-	(352,234)	(225,653)	(577,887)
At 31 December 2021	-	204,509	-	2,089,348	730,942	3,024,799
Net book value						
At 31 December 2021	1,715,000	3,890,383	22,415	977,655	463,335	7,068,787

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2020	1,715,000	4,090,000	563,209	2,867,617	1,494,782	10,730,608
Additions	-	4,891	-	255,824	421,942	682,657
Reclassification	-	475,000	(475,000)	-	-	-
Disposals	-	(320,000)	-	-	(112,570)	(432,570)
Revaluation	-	(155,000)	-	-	-	(155,000)
Transfer to disposal group (Note 18)	-	-	-	(421,896)	(317,304)	(739,200)
At 31 December 2020	**1,715,000**	**4,094,891**	**88,209**	**2,701,544**	**1,486,850**	**10,086,495**
Accumulated depreciation						
At 1 January 2020	-	40,901	-	2,181,719	910,147	3,132,766
Depreciation for the year	-	81,808	-	303,111	251,342	636,261
Disposals	-		-	-	(99,961)	(99,961)
Transfer to disposal group (Note 18)	-	-	-	(330,918)	(261,057)	(591,975)
At 31 December 2020	**-**	**122,709**	**-**	**2,153,912**	**800,471**	**3,077,091**
Net book value						
At 31 December 2020	**1,715,000**	**3,972,183**	**88,209**	**547,633**	**686,379**	**7,009,404**

(b) Company

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2021	1,715,000	4,094,891	14,929	2,566,657	1,152,711	9,544,188
Additions	-	-	-	553,282	93,489	646,772
Disposals	-	-	-	(151)	(8,528)	(8,680)
Reclasifications *	-	-	(5,070)	5,070	-	-
At 31 December 2021	**1,715,000**	**4,094,891**	**9,858**	**3,124,859**	**1,237,672**	**10,182,280**
Accumulated depreciation						
At 1 January 2021	-	122,708	-	2,040,855	675,055	2,838,618
Depreciation for the year	-	81,800	-	231,633	193,285	506,718
Disposals	-	-	-	(151)	(8,529)	(8,680)
Adjustments				(1,816)	-	(1,816)
At 31 December 2021	**-**	**204,508**	**-**	**2,270,521**	**859,812**	**3,334,841**
Net book value						
At 31 December 2021	**1,715,000**	**3,890,383**	**9,858**	**854,337**	**377,860**	**6,847,439**

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2020	1,715,000	4,090,000	489,929	2,352,704	796,309	9,443,942
Additions	-	4,891	-	213,953	413,767	632,611
Reclasifications	-	475,000	(475,000)	-	-	-
Disposals	-	(320,000)	-	-	(57,365)	(377,365)
Revaluation	-	(155,000)	-	-	-	(155,000)
At 31 December 2020	**1,715,000**	**4,094,891**	**14,929**	**2,566,657**	**1,152,711**	**9,544,188**
Accumulated depreciation						
At 1 January 2020	-	40,900	-	1,801,137	565,692	2,407,730
Depreciation for the year	-	81,808	-	239,718	161,221	482,747
Disposals	-	-	-	-	(52,465)	(52,465)
Adjustments					606	606
At 31 December 2020	**-**	**122,708**	**-**	**2,040,855**	**675,055**	**2,838,618**
Net book value						
At 31 December 2020	**1,715,000**	**3,972,183**	**14,929**	**525,802**	**477,656**	**6,705,570**

17 **Property and equipment - continued**

i. The Group had no capital commitments as at the reporting date. (2020: Nill)
ii. There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date.
iii. None of the Group's assets had been pledged as collateral during the year.
The status of the properties of land and building is as follows;

Location	Title	Status
Plot Pc 12 Churchgate street Victoria Island.	Certificate of Occupancy	Pefected
Plot 2 Oba Akran Avenue Ikeja.	Deed of Assignment	Perfected
12 Moshood Abiola Way, Liberty road Ibadan	Receipt of purchase	Acquired via acquisition
AIICO House, 36-38 Ilupeju Industrial Avenue, Ilupeju, Lagos State	Deed of Assignment	Perfected

18 **Statutory deposits**

This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2021 in accordance with section 9(1) and section 10(3) of Insurance Act 2003. Interest income earned on

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Non life business	300,000	300,000	300,000	300,000
Life business	200,000	200,000	200,000	200,000
	500,000	**500,000**	**500,000**	**500,000**

In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
At 1 January	500,000	500,000	500,000	500,000
Balance as at	**500,000**	**500,000**	**500,000**	**500,000**

19 **Discontinued operations and disposal groups held for sale.**

At the Board Meeting held on 30 April 2020, the Company decided to divest its interest in AIICO Pensions Managers Limited, a subsidiary. Hence, as at 31 December 2020, the subsidiary was classified as an asset held for sale at the Company and a discontinued operation at the Group. These segments in the future will no longer be presented in the segment notes. On 30 June 2021, the Group disposed of 33.91% of its holdings in the subsidiary out of its 70.20% holdings, leaving AIICO Insurance with 36.29%, effectively losing control and converting AIICO Pensions from a subsidiary to an associated company. Hence, AIICO Insurance accounted for the sales in this financial statements. It also accounted for the investment in the associated company using the equity method of accounting. See Notes 13(b), (e), (f), (g) and (h) for the accounting for the disposal and the associated company.

19.1 **Assets and liabilities of disposal groups held for sale and discontinued operations**

Assets and liabilities of disposal groups held for sale comprise the assets and liabilities of AIICO Pension Managers Limited as at 30 June 2021.

Carrying values of:

(a) **Assets**

In thousands of naira	Jun-21	Dec-20
Cash and cash equivalents (see note 19.10)	1,760,622	1,749,941
Financial assets (see note 19.4)	202,389	97,097
Trade receivables (see note 19.5)	139,097	173,459
Other receivables and prepayments (see note 19.6)	70,554	18,271
Intangible assets (see note 19.7)	35,523	43,295
Property and equipment (see note 19.3)	135,322	147,225
Deferred tax assets	8,491	8,491
	2,351,998	**2,237,780**

(b) **Liabilities**

In thousands of naira	Jun-21	Dec-20
Trade payables	31,592	59,954
Other payables and accruals (see note 18.8)	240,589	92,942
Current income tax payable (see note 12)	6,931	131,083
Deferred tax liability	32,484	32,484
	311,595	**316,462**
Net assets/(liabilities) directly associated with disposal group	**2,040,403**	**1,921,318**
Transfer to profit on discontinued Operation (33.91% of Net assets)	(691,831)	
NCI Share of discontinued Operation (29.8% of net assets	(608,040)	
Transfer to investment in associate (36.29% of net assets)	**740,532**	**1,921,318**

19.2. Results of discontinued operations

In thousands of naira	Jun-21	Dec-20
Revenue	783,001	1,511,432
Direct cost	-	-
Gross profit	783,001	1,511,432
Investment and other income	55,759	146,436
Employee Benefits expense	(347,260)	(703,414)
Other operating expense	(372,416)	(569,304)
Operating profit	119,084	385,150
Impairment loss on Investments	-	-
Finance costs	-	-
Profit before tax from discontinued operations	119,084	385,150
Income tax	-	(115,660)
Profit after tax from discontinued operations as @ date of disposal (a)	119,084	269,490
Profit as at June 2021 (b)	**22,908**	-
Profit after disposal (b-a)	(96,176)	-
Share of Associate profit	**(34,902)**	

19.3. Property plant and equipment of subsidiary classified as disposal group

In thousands of naira	Furniture & equipment	Motor vehicles	Total
Cost			
At 1 January 2021	395,973	330,429	726,402
Additions	25,924	10,000	35,924
Disposals	-	(23,125)	(23,125)
At 30 June 2021	**421,896**	**317,304**	**739,200**
Accumulated depreciation			
At 1 January 2021	275,598	227,089	502,688
Depreciation for the year	55,320	50,217	105,538
Disposals		(16,250)	(16,250)
At 30 June 2021	**330,919**	**261,057**	**591,975**
Net book value			
At 30 June 2021	**90,978**	**56,247**	**147,225**

19.4. Financial assets of subsidiary classified as disposal group

In thousands of naira	Total
Financial assets at amortized cost	202,495
Impairment on financial assets at amortized cost	(106)
	202,389

19.5. Trade receivables of subsidiary classified as disposal group

In thousands of naira	Total
Receivable fees	154,771
Impairment on receivable fees	(15,673)
	139,097

19.6. Other receivables and prepayment of subsidiary classified as disposal group

In thousands of naira	Total
Prepayment	31,648
Other receivables	38,906
Impairment on other receivables and prepayment	-
	70,554

19.7. Intangible assets of disposal group

In thousands of naira	Software	Total
Cost		
Balance at 1 January 2021	224,291	224,291
Acquisitions	17,594	17,594
At 30 June 2021	**241,886**	**241,886**
Accumulated amortization		
Balance at 1 January 2021	169,087	169,087
Amortization for the year	29,503	29,503
At 30 June 2021	**198,590**	**198,590**
Carrying value		
At 30 June 2021	**43,296**	**43,296**

19.8. Other payables of attributable to subsidiary classified as held for sale.

In thousands of naira	30-Jun-21	Total
Accrued Expenses	69,167	69,167
Other Payables	23,775	23,775
	92,942	**92,942**

19.9. Cash and cash equivalent classifed as held for sale

In thousands of naira	30-Jun-21	Total
Amortized cost	1,764,924	1,764,924
Impairment loss	(4,303)	(4,303)
	1,760,622	**1,760,622**

20 Insurance contract liabilities

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Outstanding claims (see note (a) below)	11,948,902	9,547,751	11,774,274	9,366,445
Claims incurred but not reported (see note (b) below)	4,553,257	3,445,017	4,553,257	3,445,017
Unearned premium (see note (c) below)	6,017,943	5,030,111	5,981,539	4,990,001
Life fund (see (note (d) below)	53,470,757	62,276,724	53,470,757	62,276,724
Annuity fund (see note (e) below)	43,785,472	55,778,785	43,785,472	55,778,785
	119,776,331	**136,078,388**	**119,565,299**	**135,856,973**

Insurance contract liabilities - Life

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Outstanding claims	4,088,282	2,861,660	4,088,282	2,861,660
Claims incurred but not reported	1,529,836	1,317,364	1,529,836	1,317,364
Unearned premium	1,391,034	1,157,269	1,391,034	1,157,269
Life fund	53,470,757	62,276,724	53,470,757	62,276,724
Annuity fund	43,785,472	55,778,785	43,785,472	55,778,785
	104,265,381	**123,391,802**	**104,265,381**	**123,391,802**

Insurance contract liabilities - Non-Life

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Outstanding claims	7,860,620	6,686,091	7,685,992	6,504,785
Claims incurred but not reported	3,023,421	2,127,653	3,023,421	2,127,653
Unearned premium	4,626,909	3,872,842	4,590,505	3,832,732
	15,510,950	**12,686,586**	**15,299,918**	**12,465,170**

Insurance contract liabilities - Group-Life

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Outstanding claims	1,739,092	1,070,531	1,739,092	1,070,531
Claims incurred but not reported	1,529,836	1,317,364	1,529,836	1,317,364
Unearned premium	1,391,034	1,157,269	1,391,034	1,157,269
	4,659,962	**3,545,164**	**4,659,962**	**3,545,164**

***Included in the group Life liabilities is the credit life liabilities of N166m

(a) Outstanding claims per business segment is as follows;

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Non life	7,685,992	6,504,785	7,685,992	6,504,785
Life	4,088,282	2,861,660	4,088,282	2,861,660
Health	174,628	181,306	-	-
	11,948,902	**9,547,751**	**11,774,274**	**9,366,445**

(a)(i) The movement in outstanding claims is as follows;

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Balance at 1 January	9,547,751	6,822,626	9,366,445	6,668,137
Claims incurred during the year	46,218,152	39,010,646	45,701,262	38,565,752
Claims paid during the year (see note 26)	(43,817,001)	(36,285,521)	(43,293,433)	(35,867,444)
	11,948,902	**9,547,751**	**11,774,274**	**9,366,445**

(a)(ii) The age analysis of life business reported claims is as follows:

in thousands of naira	0 - 90 days	91 - 180 days	181 - 360 days	361 days +	Total
1 - 500,000	335,157	31,532	11,448	108,253	486,391
500,001 - 1,000,000	337,281	49,405	55,568	198,903	641,158
1,000,001 - 2,500,000	434,959	77,730	74,586	266,526	853,801
2,500,001 - 5,000,000	219,795	101,423	175,992	204,175	701,386
5,000,001 - 10,000,000	264,373	59,199	41,538	94,872	459,982
10,000,001 - Above	578,617	146,207	155,198	65,543	945,565
Total	**2,170,182**	**465,497**	**514,331**	**938,272**	**4,088,282**

Reasons for claims outstanding as at year end

	0 - 90 days	91 - 180 days	181 - 360 days	361 days +	Total
Awaiting discharge voucher	651,054	-	-	-	651,054
Awaiting payment instruction from policyholder	607,651	209,474	154,299	375,309	1,346,733
Incomplete documentation	477,440	256,023	360,032	562,963	1,656,459
Ongoing investigation	434,036	-	-	-	434,036
Total	**2,170,182**	**465,497**	**514,331**	**938,272**	**4,088,282**

(a)(iii) The age analysis of non life reported claims is as follows:

in thousands of naira	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 500,000	46,195	46,351	83,778	209,013	385,338
500,001 - 1,000,000	27,212	26,338	46,756	125,213	225,519
1,000,001 - 2,500,000	67,007	80,988	126,829	203,630	478,455
2,500,001 - 5,000,000	49,400	104,596	229,022	230,586	613,604
5,000,001 - 10,000,000	42,114	69,365	154,183	189,617	455,278
10,000,001 - Above	72,109	188,222	1,203,368	4,064,100	5,527,799
Total	**304,036**	**515,861**	**1,843,935**	**5,022,160**	**7,685,992**

Reasons for claims outstanding as at year end

	0 - 90 days	91 - 180 days	181 - 360 days	361 days +	Total
					-
Awaiting discharge voucher	2670000	3,772,500	800,000	5,626,335	12,868,835
Awaiting final report from adjuster	32,455,773	80,157,501	276,948,713	1,869,552,826	2,259,114,813
Awaiting lead insures instruction	10,287,500	11,574,100	51,009,650	183,730,884	256,602,134
Awaiting outstanding document	258,590,028	420,357,038	1,515,177,026	2,963,282,553	5,157,406,645
Total	**304,003,300**	**515,861,139**	**1,843,935,389**	**5,022,192,598**	**7,685,992,427**

(b) Claims incurred but not reported

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Non life	3,023,421	2,127,653	3,023,421	2,127,653
Life	1,529,836	1,317,364	1,529,836	1,317,364
	4,553,257	**3,445,017**	**4,553,257**	**3,445,017**

(b)(i) The movement in IBNR is as follows;

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Balance as at 1 January	3,445,017	2,709,152	3,445,017	2,709,152
Increase during the year	1,108,240	735,865	1,108,240	735,865
Balance as at 31 December	**4,553,257**	**3,445,017**	**4,553,257**	**3,445,017**

(c) Unearned premium

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Non life	4,590,505	3,832,732	4,590,505	3,832,732
Life	1,391,034	1,157,269	1,391,034	1,157,269
Health	36,404	40,110	-	-
	6,017,943	**5,030,111**	**5,981,539**	**4,990,001**

(i) Movement in unearned premium is as follows;

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Balance at 1 January	5,030,111	3,777,808	4,990,001	3,712,068
Changes during the year	991,378	1,298,866	991,846	1,279,485
Balance as at	**6,017,943**	**5,030,111**	**5,981,539**	**4,990,001**
Premium written in the year	71,646,427	50,138,467	71,001,519	49,440,231
Premium earned during the year	(65,628,484)	(46,360,658)	(65,019,980)	(49,376,798)
Balance as at	**6,017,943**	**3,777,808**	**5,981,539**	**63,433**

(d) The movement in individual life fund is as follows;

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Balance at 1 January	62,276,724	32,634,748	62,276,724	32,634,748
Changes during the year	(8,805,967)	29,641,976	(8,805,967)	29,641,976
Balance as at	**53,470,757**	**62,276,724**	**53,470,757**	**62,276,724**

(e) The movement in annuity fund is as follows;

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Balance at 1 January	55,778,785	39,042,017	55,778,785	39,042,017
Changes during the year	(11,993,313)	16,736,767	(11,993,313)	16,736,768
Change as at 31 December	**43,785,472**	**55,778,785**	**43,785,472**	**55,778,785**

21 Investment contract liabilities

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Deposit administration (see note (a) below)	2,836,752	2,906,733	2,836,752	2,906,733
Other investment contract liabilities (see note (b) below)	19,993,119	18,928,643	19,993,119	18,928,643
Total investment contract liabilities	**22,829,871**	**21,835,376**	**22,829,871**	**21,835,376**

(a) Movement in deposit administration is shown below:

At 1 January	2,906,733	2,477,145	2,906,733	2,477,145
Deposits	380,955	357,998	380,955	357,998
Withdrawals	(91,692)	(59,747)	(91,692)	(59,747)
Credit of interest and other income	99,030	106,558	99,030	106,558
Impact of actuarial valuation	(332,316)	24,779	(332,316)	24,779
Balance as at	**2,836,752**	**2,906,733**	**2,836,752**	**2,906,733**

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(b) Other investment contract liabilities are stated at amortised cost and the amount is analysed as follows:

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
At 1 January	18,928,643	13,724,222	18,928,643	13,724,222
Movement during the year	1,064,476	5,204,421	1,064,476	5,204,421
Balance as at	**19,993,119**	**18,928,643**	**19,993,119**	**18,928,643**

Other investment contract liabilities represent deposit-based policies for individual savings business wth insignificant risk element.

22 Trade payables

Trade payables represent amounts payable to reinsurers, co-insurers, agents and brokers at the end of the year. The carrying amounts disclosed below approximate the fair values at the reporting date

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Reinsurance and co-insurance payable	2,082,373	945,826	2,082,373	945,826
Premium paid in advance	300,302	159,403	300,302	159,403
Unallocated premium (see (a) below)	1,434,866	822,415	1,434,866	822,415
Refund to policyholders (see (b) below)	33,025	24,256	33,025	24,256
Commission payable	102,432	11,993	102,432	11,993
Others (see (c) below)	62,507	116,785	-	-
Transfer to held for sale	(31,592)	(59,954)	-	-
	3,779,049	**2,020,724**	**3,748,134**	**1,963,893**

(a) This relates to premiums yet to be matched to policies due to various reasons.

(b) This relates to premiums refundable to policyholders on policies cancelled during the grace period.

(c) This relates to trade payables of subsidiaries.

23 (a) Other payables and accruals

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Accrued expenses (see note (iii) below)	1,023,137	1,622,217	781,461	1,552,366
NAICOM levy	710,024	613,184	710,024	613,184
Agent provident fund	229,454	196,663	229,454	196,663
Gratuity payable (see note (i) below)	11,549	36,824	11,549	36,824
Deferred income (fees & Commission)	552,047	535,758	552,048	535,758
Sundry payables	544,778	1,284,928	93,041	145,957
Sundry credit balances (see note (ii) below)	869,819	577,976	869,819	577,976
Payable to subsidiaries	-	-	147,151	233,432
Transferred to disposal group (see note 18(b))	(240,589)	(92,942)	-	-
	3,700,218	**4,774,609**	**3,394,547**	**3,892,160**

(i) The Company's retirement benefit obligation was terminated in 2014 and the liability as at the date of termination - April 30, 2014, was transferred to a payable account.

(ii) Sundry credit balances represent outstanding bank credits which have not been matched to the prospective policyholders.

(iii) Included in accrued expense is N178m (2020: N178m) which represents deferred incentive pay for executive management staff (from AGM to MD). This incentive pay is 30% of eligible employees annual bonus, which is deferred and shall vest after three years. It will also grow in line with the growth in Net Asset Value (NAV) of the Company.

(b) Fixed income liabilities

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Guaranteed income notes (see note (i))	33,506,178	43,046,848	-	-
	33,506,178	**43,046,848**	**-**	**-**

(i) AIICO Capital Limited, a subsidiary company, manages a guaranteed income product, held as fixed income liabilities. The assets held under this arrangement are in the name of AIICO Capital Limited and the underlying risks are retained by the Company.

(ii) These fixed income liabilities are invested as follows:

	Group		Company	
In thousands of naira	Dec-21	Dec-20	Dec-21	Dec-20
Cash and cash equivalents	791,245	1,016,546	-	-
Financial assets	32,714,934	42,030,302	-	-
	33,506,178	**43,046,848**	**-**	**-**

24 Capital and reserves

(a) Share capital

(a)(i)

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Authorised:				
At 1 January 2021: 37,600,000,000 (2020: 36,000,000,000) shares of 50k each	18,800,000	18,000,000	18,800,000	18,000,000
Increase during the year: Nil (2020: 1,600,000,000) shares of 50k each	-	800,000	-	800,000
At 31 Dec 2021: 37,600,000,000 shares of 50k each	**18,800,000**	**18,800,000**	**18,800,000**	**18,800,000**

(a)(ii) Ordinary shares issued and fully paid:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
At 1 January 2021: 15,687,975,434 (2020:6,930,204,480) shares of 50k each	7,843,988	3,465,102	7,843,988	3,465,102
Increase: NIL (2020: Private Placement: 4,400,000,000) shares of 50k each	-	2,200,000	-	2,200,000
Increase: NIL (2020: Rights Issue: 4,357,770,954) shares of 50k each	-	2,178,886	-	2,178,886
Increase: Bonus issue: 20,917,300,579 shares at 50k each (2020:NIL)	10,458,650	-	10,458,650	-
At 31 Dec 2021:36,605,276,012 shares of 50k each	**18,302,638**	**7,843,988**	**18,302,638**	**7,843,988**

(a)(iii) Ordinary shares issued and fully paid can be further analysed as follows:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
General business -20,597,976,010 (2020: 11,135,250,000) Ordinary Shares at 50 kobo each	10,298,988	5,567,625	10,298,988	5,567,625
Life business - 16,007,300,002 (2020: 4,552,726,000) Ordinary Shares at 50 kobo each	8,003,650	2,276,363	8,003,650	2,276,363
	18,302,638	**7,843,988**	**18,302,638**	**7,843,988**

(a)(iv) Further Disclosure on Share Capital

1 Update on 8 Dec 2020 AGM

At the Company's 8 December 2020 AGM on the 31 Dec 2019 Financial Statements, the Shareholders declared a bonus of 5,098,591,860 ordinary shares of 50k each, payable as follows:

a. 1 new share for every 8 shares held (1 for 8), payable from retained earnings
b. 1 new share for every 5 shares held (1 for 5), payable from share premium

This bonus has 29 December 2020 as qualification but was not approved by the regulator. Hence, the declared bonus of 5,098,591,860 shares of 50k each was cancelled and was not recognised in these financial statements. As a result, the Company declared more bonus at the AGM that followed, as explained in below note.

2 Update on 30 Nov 2021 AGM

At the Company's 30 November 2021 AGM on the 31 Dec 2020 Financial Statements, the Shareholders declared a bonus of 12 new Ordinary Shares of 50k each for every 9 shares in issue, payable as follows:

a. 8 new Ordinary shares of 50k each for every 9 shares in issue, payable from the share premium account
b. 4 new Ordinary shares of 50k each for every 9 shares in issue, payable from the retained earnings account

This bonus had 23 November 2021 as qualification date and amounted to N10,458,650,290 (20,917,300,579 ordinary shares at 50 Kobo per share) and was declared to take the Company's paid up Capital above the minimum regulatory capital of N18 billion. Although this was approved subsequent to year end, it was reflected in the financial statements as the Nigerian Stock Exchange had reflected the new shares on the Exchange since the bonus qualification date and consequently devalued the Company's share price to accommodate the Bonus as at that date, on 24 November 2021. (see note 44 on subsequent events for further information).

24(b) Share premium

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
At 1 January	7,037,181	2,824,389	7,037,181	2,824,389
Increase from Private Placement	-	3,001,804	-	3,001,804
Increase from Rights issue	-	1,210,988	-	1,210,988
Transfer to Share capital from Bonus issue	(6,972,436)	-	(6,972,436)	-
Balance as at 31 December 2021	**64,745**	**7,037,181**	**64,745**	**7,037,181**

(b)(ii) Share premium can be further analysed as follows:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
General business -NIL (2020: 9,459,282,164 Ordinary Shares at 50 kobo each)	-	4,729,641	-	4,729,641
Life business -129,489,292 (2020: 4,615,078,367) Ordinary Shares at 50 kobo each	64,745	2,307,540	64,745	2,307,540
Balance as at 31 December 2021	**64,745**	**7,037,181**	**64,745**	**7,037,181**

(c) Revaluation reserve

(i) The balance in this account is analysed as follows:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
At 1 January	1,812,707	1,812,707	1,812,707	1,812,707
Revaluation (loss)	-	(155,000)	-	(155,000)
Transfer to retained earnings	-	155,000	-	155,000
Balance as at	**1,812,707**	**1,812,707**	**1,812,707**	**1,812,707**

(d) Fair value reserve

	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
At 1 January	(507,416)	1,995,336	(438,588)	828,179
Reclassification (from) fair value reserves	91,081	(64,392)	85,611	-
Net fair value gain/(loss)	(1,330,219)	(2,598,607)	(661,167)	(1,236,133)
Impairment adjustment	(2,583)	36,330	(2,583)	(30,632)
Transfer to NCI	66,100	123,917	-	-
Balance as at	**(1,683,037)**	**(507,416)**	**(1,016,727)**	**(438,586)**

The fair value reserves is further broken down below;

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Revalued equities - Quoted	(643,861)	(563,212)	(628,396)	(547,748)
Revalued equities - Unquoted	381,782	819,355	381,782	819,355
Revaluation of bonds	(1,534,558)	(876,821)	(823,439)	(763,959)
Impairment reserve	96,230	96,230	35,957	35,957
Revaluation of treasury bills	17,369	17,031	17,369	17,807
Balance as at	**(1,683,038)**	**(507,416)**	**(1,016,727)**	**(438,586)**

(e) Foreign exchange gains reserve

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
At 1 January	175,600	159,677	175,600	159,677
Exchange gains on financial assets	-	15,923	-	15,923
Balance as at	**175,600**	**175,600**	**175,600**	**175,600**

(f) Statutory reserve

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
At 1 January	-	167,874	-	-
Transfer from retained earnings	-	34,168	-	-
Transfer to disposal group (see note 18.9)	-	(202,042)	-	-
Balance as at	-	-	-	-

(g) Statutory reserve

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-21
At 1 January	202,042	-	-	-
Transfer from statutory reserve	-	202,042	-	-
Transfer to proceeds from sale of discontinued operation	(202,042)	-		
In accordance with the provision of section 81(2) of the Pension Reform Act 2014, the statutory reserve is credited with an amount equivalent to 12.5% of the net profit after tax or based on National Pension Commission requirements.	**-**	**202,042**	**-**	**-**

(h) Contingency reserve

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
At 1 January	7,213,594	6,320,410	7,213,594	6,320,410
Transfer from retained earnings	1,091,009	893,184	1,091,009	893,184
Balance as at	**8,304,604**	**7,213,594**	**8,304,604**	**7,213,594**

Contingency reserve is calculated, in the case of non-life business, at the rate of the higher of 3% of total premium income receivable during the year or 20% of the net profits in accordance with Section 21(2) of Insurance Act, 2003.

(I) Retained earnings

The movement in retained earnings can be analysed as follows:

	Group		Company	
In thousands of naira	**Dec-21**	Dec-20	**Dec-21**	Dec-20
At 1 January	9,924,143	5,888,969	8,834,102	5,253,959
Transfer from statement of profit or loss and other comprehensive income	4,853,284	5,061,120	4,968,664	4,764,596
Transfer from/(to) contingency reserve	(1,091,009)	(893,184)	(1,091,009)	(893,184)
Transfer from statutory reserve (see note (g) above)	202,042	(34,168)	-	-
Transfer to investment in associat	740,532	-	-	-
Realised (loss)/gain on equities and transfer of statutory reserves to associate	(91,081)	56,406	(85,611)	(136,269)
Transfer from revaluation reserve	-	(155,000)	-	(155,000)
Transfer to share capital	(3,486,215)	-	(3,486,215)	-
Balance as at	**11,051,696**	9,924,143	**9,139,931**	8,834,102

25 Gross premium

(a) Gross premium written

Gross premium written by business is as follows:

	Group		Company	
In thousands of naira	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
Non-life	19,049,710	14,000,013	19,049,710	14,000,013
Life (individual and group)	49,733,359	41,636,417	49,733,359	41,636,417
Annuity	2,218,450	5,681,968	2,218,450	5,681,968
Health Management	644,908	661,269	-	-
	71,646,427	**61,979,667**	**71,001,519**	**61,318,398**

(b) Gross premium income

	Group		Company	
In thousands of naira	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
Gross premium written	71,646,427	61,979,667	71,001,519	61,318,398
Unearned premium	(991,378)	(1,298,866)	(991,846)	(1,279,485)
	70,655,049	**60,680,800**	**70,009,673**	**60,038,913**

(c) Reinsurance expenses

	Group		Company	
In thousands of naira	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
Reinsurance premium charge for the year	12,676,474	8,394,428	12,676,474	8,394,428
Unexpired reinsurance cost	(543,253)	(493,388)	(543,253)	(493,388)
Net reinsurance expense	**12,133,221**	**7,901,040**	12,133,221	7,901,040

(ii) In arriving at the reinsurance premium paid during the year, the opening balance on prepaid minimum and deposit was considered.

26 Fees and commission income

	Group		Company	
In thousands of naira	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
Insurance contract	2,284,681	1,556,537	2,284,681	1,556,537
Pension and other contracts (see note (a) below)	297,068	406,077	-	-
	2,581,749	**1,962,614**	**2,284,681**	**1,556,537**

(a) Pension and other other contracts relate to fee and income earned on pension fund and asset management by the subsidiary companies.

27(a) Gross benefits and claims incurred

	Group		Company	
In thousands of naira	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
Claims paid during the year (note 19(ai))	43,817,001	36,285,521	43,293,433	35,867,444
Change in outstanding claims	2,401,150	2,725,125	2,407,829	2,698,308
Change in incurred but not reported	1,108,240	**735,865**	1,108,240	735,865
	47,326,391	**39,746,511**	**46,809,502**	**39,301,617**

In thousands of naira	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
Life insurance contracts (see note (I) below)	38,830,236	27,999,313	38,313,345	27,554,419
Non-life insurance contracts (see note (ii) below)	8,496,155	11,747,198	8,496,157	11,747,198
	47,326,391	**39,746,511**	**46,809,502**	**39,301,617**

(i) **Life insurance contract gross benefits and claims incurred can be analysed as follows:**

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Gross benefits	24,525,271	17,900,687	24,525,271	17,900,687
Gross claims	14,430,355	9,570,544	13,913,464	9,125,650
Change in outstanding claims reserve	(125,390)	528,082	(125,390)	528,082
	38,830,236	**27,999,313**	**38,313,345**	**27,554,419**

(ii) **Non-life insurance contract gross claims Incurred**

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Gross claims incurred	7,600,388	11,311,452	7,600,388	11,311,452
Changes in outstanding claims reserve	895,768	435,746	895,768	435,746
	8,496,156	**11,747,198**	**8,496,156**	**11,747,198**

	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
(b) **Claim recoveries**				
Claims recovered from reinsurance	5,063,451	9,295,290	5,063,451	9,632,236
Changes in outstanding claims	2,348,276	1,205,492	(2,348,276)	(1,542,438)
	7,411,727	**8,089,798**	**7,411,727**	**8,089,798**
(i) **Claims recoveries can be futher analysed as follows:**				
Life	2,709,114	308,359	2,709,114	308,359
Non-life (see note (ii) below)	4,702,613	7,781,439	4,702,613	7,781,439
	7,411,727	**8,089,798**	**7,411,727**	**8,089,798**
(ii) **Non-life business claims recoveries can be analysed as follows:**				
Recoveries - reinsurance	4,624,567	7,653,428	4,624,567	7,653,428
Recoveries - salvage	78,046	128,011	78,046	128,011
	4,702,613	**7,781,439**	**4,702,613**	**7,781,439**

28 **Underwriting expenses**

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Acquisition costs (see note (a) below)	7,518,024	6,347,337	7,466,703	6,306,389
Maintenance expenses (see note © below)	3,060,839	1,427,216	3,060,839	1,427,216
	10,578,863	**7,774,553**	**10,527,542**	**7,733,605**

(a) **Acquisition costs by business is as follows:**

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Life	4,563,594	4,170,375	4,563,594	4,170,375
Non-life	2,903,109	2,136,014	2,903,109	2,136,014
Multishield HMO	51,321	40,948	-	-
	7,518,024	**6,347,337**	**7,466,703**	**6,306,389**

(b) **Acquisition costs is analysed as follows:**

	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Acquisition cost during the year	7,623,661	6,399,770	7,623,661	6,399,770
Net movement in deferred acquisition cost	(156,958)	(93,381)	(156,958)	(93,381)
Commission incurred	7,466,703	6,306,389	7,466,703	6,306,389
Providers' capitation fee and other direct expenses	51,321	40,948	-	-
	7,518,024	**6,347,337**	**7,466,703**	**6,306,389**

(c) **Maintenance expenses can be analysed as follows:**

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Policy administration expenses	1,982,927	1,036,141	1,982,927	1,036,141
Tracking expenses	18,483	16,127	18,483	16,127
Service charges	1,059,429	374,948	1,059,429	374,948
	3,060,839	**1,427,216**	**3,060,839**	**1,427,216**

(29)(a) Investment income

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Policyholders' funds (see note (I) below)	6,792,277	6,352,986	6,792,277	7,546,137
Annuity funds (see note (ii) below)	4,626,870	2,933,543	4,626,870	2,933,543
Shareholders' funds (see note (iii) below)	1,959,562	2,425,985	1,393,010	1,331,770
	13,378,709	**11,712,513**	**12,812,157**	**11,811,450**

*** Included in investment income is the accrued interest on all the classes of financial asset.

	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Investment Income	13,378,709	11,712,513	12,812,157	11,811,450
Opening Accrued interest	8,470,627	5,340,425	6,745,757	5,095,704
Profit on Deposit administration (see note 29b)	240,837	186,271	240,837	186,271
Accrued interest on amortized cost financial assets (see note 7a (iii))	(383,396)	(2,156,473)	(944,950)	(641,332)
Accrued interest on FVTOCI financial assets (see note 7b (ii))	(637,924)	(599,843)	(281,045)	(390,113)
Accrued interest on FVTPL financial assets (see note 7c (I))	(4,978,756)	(5,714,312)	(4,978,756)	(5,714,312)
Investment income received during the year	**16,090,097**	**8,768,581**	**13,594,000**	**10,347,668**

(I) Investment income attributable to policyholders' funds

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Interest income on financial assets	6,248,516	6,490,590	6,248,516	6,490,590
Interest income on cash and cash equivalents	123,213	(71,759)	123,213	(71,759)
Income on policy loan	211,372	178,444	211,372	178,444
Dividend income	209,176	(244,290)	209,176	548,861
	6,792,277	**6,352,986**	**6,792,277**	**7,546,136**
(II) Investment income attributable to annuity funds				
Interest income on financial assets	4,626,870	2,933,543	4,626,870	2,933,543
	4,626,870	**2,933,543**	**4,626,870**	**2,933,543**
(III) Investment income attributable to shareholders' funds				
Interest income on financial assets	1,092,276	1,521,418	594,914	521,423
Interest income on cash and cash equivalents	755,092	482,139	685,902	387,919
Dividend income	112,194	422,428	112,194	422,428
	1,959,562	**2,425,985**	**1,393,010**	**1,331,770**
(b) Profit on deposit administration				
Investment income on deposit administration can be analysed as follows:				
Investment income on deposit	240,837	186,271	240,837	186,271
Other income generated from the fund	-	-	-	-
Guaranteed interest to policyholders	(99,030)	(106,558)	(99,030)	(106,558)
Acquisition expense	(493)	(449)	(493)	(449)
Impact of actuarial valuation	332,316	(24,779)	332,316	(24,779)
Profit from deposit administration	**473,630**	**54,485**	**473,630**	**54,485**

(30)(a) Net realised gains

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Net realised gains are attributable to the following:				
Property and equipment	(59,353)	2,580	11,217	2,580
Fair value financial instruments (see (b) below)	2,459,046	7,397,016	2,459,046	7,397,016
	2,399,693	**7,399,596**	**2,470,263**	**7,399,596**

(b) Net realised gains on fair value financial instrument can be analysed as follows:

	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Gain on treasury bills	-	105,474	-	105,474
Gain on FGN Bonds	2,459,046	7,291,542	2,459,046	7,291,542
	2,459,046	**7,397,016**	**2,459,046**	**7,397,016**

(31) Net fair value (losses)/ gains

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Financial assets	(34,698,482)	30,637,376	(34,698,482)	30,637,376
Investment properties (Note 7(c.)(I)	48,000	(14,000)	48,000	(14,000)
	(34,650,482)	**30,623,376**	**(34,650,482)**	**30,623,376**

(32) Other operating income

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Sundry income	2,102,316	973,095	1,055,724	972,492
Exchange (loss)/gain	(280,900)	1,745,309	(280,900)	(210,417)
	1,821,416	**2,718,404**	**774,824**	**762,075**

(33) Personnel expenses

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Salaries	1,502,640	2,048,945	1,068,173	1,377,326
Allowances and other benefits	2,021,830	1,868,653	1,776,290	1,840,103
	3,524,470	**3,917,598**	**2,844,463**	**3,217,429**

(34) Other operating expenses

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Travel and representation	337,315	298,321	300,026	230,130
Marketing and administration	1,067,412	429,978	1,029,709	395,434
Advertising	713,238	978,208	713,238	751,633
Occupancy	591,428	530,240	533,198	266,053
Amortization of Right of Use Assets	104,297	87,166	104,297	87,166
Communication and postages	481,817	466,701	438,112	329,022
Dues and subscriptions	111,735	149,296	95,155	110,053
Office supply and stationery	151,147	117,333	149,112	117,238
Fees and assessments	80,180	3,160	45,406	1,833
NAICOM levy	710,024	1,144,637	710,024	1,144,637
Directors emolument	295,393	290,881	295,393	237,150
Regulatory fees & expenses (local licensing and filing)	311,395	351,973	311,395	290,138
Legal fees	80,082	137,451	68,082	54,658
Consulting fees (External actuary, tax consultancy)	812,491	695,208	812,491	771,236
Consulting fees (IT, contract staff related)	369,843	590,322	351,843	346,315
Depreciation and amortisation	640,282	650,741	530,844	550,328
Auditor's fees (see note (a) below)	53,433	59,201	42,000	43,000
Miscellaneous expenses (see note (b) below)	524,206	459,493	405,545	319,373
Foreign exchange loss	-	112,621	-	112,621
	7,435,720	**7,552,932**	**6,935,871**	**6,158,019**

(a) The auditors did not earn any non-audit fees during the year.
(b) Miscellaneous expenses relate to local taxes including tenement rates, land use charges, parking fees, etc payable to local tax authorities.
© Included in the fees assessment is ITF contribution which is a percentage of the personnel expenses as required.

(35) Impairment (reversal)/losses

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Impairment loss on financial instruments and others	(34,272)	36,971	(11,100)	(31,114)
	(34,272)	**36,971**	**(11,100)**	**(31,114)**

(a) Impairment loss/(write back) can be attributed to the following:

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Impairment allowance for debt instruments	10,591	97,919	(9,249)	(31,338)
Impairment on cash and cash equivalents	(1,851)	224	(1,851)	224
Impairment on trade receivables	(43,013)	(61,249)	-	-
	(34,272)	**36,893**	**(11,100)**	**(31,114)**

(36) Earnings per share

(a) Earnings per share from continued operation

Basic earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.

In thousands of naira	Group Dec-21	Group Dec-20	Company Dec-21	Company Dec-20
Net profit attributable to ordinary shareholders from continued operation	4,853,284	5,061,120	4,968,664	4,764,595
	4,853,284	**5,061,120**	**4,968,664**	**4,764,595**
Number of shares in issue	**36,605,276**	**11,330,204**	**36,605,276**	**11,330,204**
Weighted average of ordinary shares in issue	36,605,276	36,605,276	36,605,276	36,605,276
Basic and diluted earnings per share from continued operation (kobo)	13	14	14	13
	13	**14**	**14**	**13**

(37) Related party disclosures

(a) Parent and ultimate controlling party

The ultimate controlling party of the Group is AIICO Insurance PLC.

(b) Transactions with related parties and key management personnel

(b) (I) Loan to directors

In 2021, no loan was advanced to directors (2020: nil).

(b) (II) Related party transactions and balances.

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

Company

Name of related party	Relationship	Nature of transaction	Transaction values ('000) Dec-21	Transaction values ('000) Dec-20	Balance outstanding ('000) Dec-21	Balance outstanding ('000) Dec-20
AIICO Pension Managers Limited	Associate	Insurance Premium	-	7,965	-	-
		Rent	-	12,529	103	103
AIICO Multishield Limited	Subsidiary	Health Premium	37,331	34,528	-	-
		Insurance Premium	6,730	6,730	-	-
AIICO Capital Limited*	Subsidiary	Portfolio Management	523,374	366,084	147,151	233,432
		Insurance Premium	7,592	7,592	-	-
		Rent	30,003	30,003	-	-
Magnartis Finance and Investment Limited**	Common Director	Stockbrokers	8,787	8,787	186,707	186,707
			613,817	**474,217**	**333,961**	**420,242**

* AIICO Insurance Plc employs the services of AIICO Capital Limited to manage its financial assets. In return, AIICO Capital charges a percentage on the income generated as management fees.

**Magnartis Finance and Investment Limited are stockbrokers that trades the Company's equity portfolio. The balance reflected above are the unsettled balances on stock transactions as at reporting date.

The terms and conditions of the finance lease transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

"All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within 3 months of the reporting date. None of the balances are secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

No guarantees have been given or received."

(37) Related party disclosures - continued

(b) (iii) Key management personnel compensation for the year

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Wages and salaries	490,600	441,296	490,600	268,111
Post employment benefits	34,449	36,217	34,449	26,509
	525,049	477,513	525,049	294,620

(b) (iv) Directors remuneration

Directors remuneration excluding pension contributions and certain benefits was provided as follows:

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Fees as Directors	2,745	5,838	1,710	855
Other allowances	71,107	20,059	32,236	22,042
	73,852	25,897	33,946	22,897
Executive compensation	331,899	127,365	266,432	63,858
	405,751	153,262	300,378	86,755
Chairman	23,922	30,000	11,522	11,522
Highest paid director	48,581	48,581	48,581	48,581

The number of directors, including the Chairman, whose emoluments were within the following range were:

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
1,000,001 - 2,000,000	-	-	-	-
2,000,001 and above	16	19	6	6
	16	19	6	6

(38) Contingencies and commitments

(a) (I) Legal proceedings and obligations

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. There were 31 outstanding cases at the end of the year 2021 with a total claim of ca. N4bn. The Directors, having sought legal opinion, are of the view that the Company stands a good chance on those cases and hence do not foresee those cases having any material effect on the Company's results and financial position. Therefore, no provisions have been made in the financial statements.

(ii) Some time ago, AIICO Insurance Plc ("the Company" or "AIICO" or "the Claimant") filed a suit against Megamound Investment Limited and Indemnity Finance Limited ("the defendants") for the recovery of its outstanding loan plus interest of N1.4b. Although the defendant, via a letter dated 9 Nov 2007 allocated 1.5 hectares of land (1.089 hectare, if the portion allocated for common areas is considered) at Lekki County Estate to the Company, it never effected a transfer. The Claimant sought and obtained a judgement of the court in terms of the loan. The Court, via a judgement dated 30 May 2014, ordered that the defendants execute and deliver to the Claimant the property in respect of the 1.5 hectares of land at Lekki County Home Estate, excluding the area marked for provision of common services. The Court further ordered that possession should be granted to the Claimant of the 1.5 hectares of land at Lekki County homes Estate, excluding the areas marked for the provision of common services measuring 4,108.5 square metres. AIICO commenced execution of this judgment on 6 January 2022. However, when AIICO sought to take over the property, the management of Lekki County Estate obstructed AIICO from taking possesion of the allocated land and also harassed and assaulted its staff. Consequently, AIICO has not recognized this land in its books but has hereby made disclosure of its existence while filing requisite actions including Contempt of Court proceedings against the management of Lekki County Estate.

(iii) There was no court judgement against the company as at the year ended 31st of December 2021.

(iv) The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies related to such regulations.

(b) Funds under management

These funds do not form part of the assets and liabilities of the Group as the risks and rewards of these investments belong to the customers.

This represents investments held on behalf of clients and are stated at amortised cost.

An analysis of funds under management is shown below:

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
AIICO Money Market Fund (AMMF) (see note (I) below)	665,904	905,688	-	-
AIICO Balance Mutual Fund (ABF)	153,060	171,601		
High Networth Individuals Fund (HNI) (see note (ii) below)	1,522,865	7,545,096	-	-
Non-pension funds	2,341,829	8,622,385	-	-
Pension Funds (see note (iii) below)	-	146,205,929		
Total funds	2,341,829	154,828,314	-	-

Fees earned from the management of these funds are as follows:

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
AMMF	4,552	14,351	-	-
ABF	650	2,903		
HNI Fund	6,861	27,127	-	-
Non-pension funds	12,063	44,381	-	-
Pension Funds	-	1,511,432	-	-
Total funds	12,063	1,555,813	-	-

(i) AIICO Money Market Fund (AMMF)
This represents customers' investment in the AIICO Money Market Fund, which is managed by AIICO Capital Limited, a subsidiary of the Company. This fund is regulated by the Nigerian Securities and Exchange Commission (SEC) and it started on 10 March 2014. It currently trades at ₦100 per unit as at 31 December 2021 (2020: ₦100)

(c) High Networth Individuals Fund (HNI)
This represents customers' investment in High Networth Individuals Fund, which is managed by AIICO Capital Limited, a subsidiary of the Company. This fund started in August 2015.
Returns on this fund are discretionary, however, when the Group exceeds the returns agreed with the customer, they earn a 20% performance fee on the excess. The Group also charges management fees on this Fund.

(d) Pension Funds
This comprise the AIICO Pensions Retirement Savings Account (RSA) Fund, Retiree Fund, Institutional Fund and Transitional Contribution Fund which is managed by AIICO Pension Managers Limited.
AIICO Pensions Retirement Savings Account and Retiree Funds are open pension funds, while the remaining funds are closed.

(e) Unclaimed dividend
The Company has unclaimed dividend of ₦658.9 million as at 31 December 2021 (2020:₦737.2 million). As required by section 16(d) of the Nigerian Securities and Exchange Commission (SEC) guidelines the assets representing these unclaimed dividend do not form part of the assets of the Company. These funds were returned to AIICO insurance and is domiciled with the custodian.

39 Contraventions and penalties

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
The following payments were made relating to contraventions and penalties during the year:				
Penalty to National Insurance Commission (NAICOM) (see note (I) below)	-	250	-	250
	-	250	-	250

(I) In the prior year, National Insurance Commission (NAICOM) imposed a fine on the Company for contravention of the provisions of the Prudential Guidelines for Insurers and Reinsurers 2015, and this has been subsequently paid in the year.

40 Personnel
The average number of persons employed at the end of the year was:

Number	Group 2021	Group 2020	Company 2021	Company 2020
Managerial	78	68	57	43
Senior staff	290	347	265	246
Junior staff	84	150	6	7
	452	565	328	296

(a) The personnel expenses for the above persons were:

In thousands of naira	2021	2020	2021	2020
Wages and salaries	1,502,640	2,048,945	1,068,173	1,377,326
Other staff costs	2,021,830	1,868,653	1,776,290	1,840,103
	3,524,470	3,917,598	2,844,463	3,217,429

(b) The number of employees paid emoluments, excluding pension and allowances, above ?100,000 for the year were:

Number	Group 2021	Group 2020	Company 2021	Company 2020
100,000 - 600,000	276	275	215	195
600,001 - 1,200,000	72	119	60	56
1,200,001 - 2,400,000	45	67	22	12
2,400,001 and above	59	104	31	33
	452	565	328	296

(41) Hypothecation of assets

2021

	Life Fund	Annuity	Policyholder's fund Investment Contract Liabilities	Non-life Insurance Contract Liabilities	Total Policyholders fund	Shareholders' fund	Total
Cash and cash equivalents	2,962,811	-	854,851	441,265	4,258,928	4,804,033	9,062,961
Financial assets:							
Bonds and treasury bills	51,369,723	45,135,429	21,657,693	5,067,980	123,230,825	22,362,805	145,593,629
Quoted equities	5,132		211,749	551,834	768,715	52,937	821,652
Unquoted equities	1,076,006	-	155,830	729,558	1,961,394	701,662	2,663,056
Loans & receivables	2,620,611	-	-	-	2,620,611	1,125,129	3,745,740
Investment in subsidiaries	-	-	-	-	-	1,087,317	1,087,317
Investment in associate	-	-	-	-	-	705,691	705,691
Investment properties	488,000	-	-	318,000	806,000	-	806,000
Property and equipment	-	-	-	-	-	6,847,439	6,847,439
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See a below)	2,101,478	-	-	8,975,821	11,077,299	3,717,955	14,795,254
Total assets (a)	60,623,760	45,135,429	22,880,123	16,084,458	144,723,772	41,904,967	186,628,738
	60,479,909	43,785,472	22,829,871	15,299,918	142,395,168	44,233,570	186,628,739
(a) **Excess/ (shortfall) of assets over liabilities (a-b)**	**143,851**	**1,349,957**	**50,252**	**784,540**	**2,328,604**	**(2,328,605)**	**-**
Other Assets							
Trade receivables	-	-	-	689,375	689,375	-	689,375
Reinsurance assets	2,101,478	-	-	8,286,446	10,387,924	-	10,387,924
Deferred acquisition costs	-	-	-	-	-	739,223	739,223
Other receivables and prepayments	-	-	-	-	-	2,140,480	2,140,480
Goodwill and other intangible assets	-	-	-	-	-	838,252	838,252
	2,101,478	-	-	8,975,821	11,077,299	3,717,955	14,795,254

2020

	Life Fund	Annuity	Policyholder's fund Investment Contract Liabilities	Non-life Insurance Contract Liabilities	Total Policyholders fund	Shareholders' fund	Total
Cash and cash equivalents	2,312,811	-	50,252	2,089,941	4,873,915	4,405,470	9,279,385
Financial assets:							
Bonds and treasury bills	57,428,725	58,671,328	21,252,054	2,067,980	139,420,087	17,726,395	157,146,482
Quoted equities	1,411,839	91,751	211,749	782,755	2,498,094	52,937	2,551,031
Unquoted equities	2,081,420	-	155,830	-	2,237,250	1,624,492	3,861,742
Money market placements	-	-	-	-	-	-	-
Loans & receivables	2,020,403	-	-	-	2,020,403	494,741	2,515,143
Investment in subsidiaries	-	-	-	-	-	2,452,359	2,452,359
Investment properties	47,500	-	-	-	47,500	710,500	758,000
Property and equipment	1,974,554	-	-	-	1,974,554	4,731,016	6,705,570
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See a below)	725,700	-	-	7,668,291	8,393,991	2,170,905	10,564,896
Total assets (a)	68,002,952	58,763,079	22,090,793	12,608,966	161,465,794	34,868,815	196,334,608
Policyholders liabilities (b)	67,613,017	55,778,785	21,835,376	12,465,170	157,692,348	38,642,260	196,334,608
Excess/ (shortfall) of assets over liabilities (a-b)	**389,936**	**2,984,294**	**255,418**	**143,797**	**3,773,445**	**(3,773,444)**	**-**
Other Assets							
Trade receivables	-	-	-	897,596	897,596	-	897,596
Reinsurance assets	725,700	-	-	6,770,695	7,496,395	-	7,496,395
Deferred acquisition costs	-	-	-	-	-	582,265	582,265
Other receivables and prepayments	-	-	-	-	-	726,262	726,262
Goodwill and other intangible assets	-	-	-	-	-	862,378	862,378
	725,700	-	-	7,668,291	8,393,991	2,170,905	10,564,896

42 Disclosure on the impact of COVID 19

The World Health Organization (WHO), following the widespread of the virus over the globe declared the coronavirus (COVID-19) a global pandemic. The spread and its impact has generated a degree of uncertainty and anxiety, as governments and health experts attempt to curtail the proliferation of the virus. Consequently, the Group has put in place measures to mitigate the risk on its operations and services to its stakeholders.

Prior to the advent of COVID-19, the Company has consistently tested and evaluated its Business Continuity Management System (BCMS) with the support and guidance of the British Standard Institutions (BSI), having granted the Company certification of the system under ISO 22301 standard since 2012. The BSI conducts annual and three-year continuous assessment visit and recertification audit respectively of the ISO 22301 standard certification maintenance.

At the advent of the pandemic and upon the continued COVID-19 scourge, in order to manage its impact on the business operations, the Company adapted and evoked the BCMS to proactively manage, the possible impact of the COVID -19 incident on the Company's business continuity. Within this framework, the Company swiftly reviewed its organizational–wide and departmental COVID 19 Incident Management Plan (IMP) and Business Continuity Plan (BCPs) respectively , which details a systematic approach to responding to and managing exigencies that may bring about business interruptions or cause a complete or partial system shut down.

In line with Nigeria and the World Health Organization (WHO) protocols, the Company rolled out precautionary measures to protect our employees, customers and other stakeholders as well as ensure business operations continued with minimal interruption. These include:

- Enforced basic infection prevention measures, as advised by the World Health Organization (WHO) and government agencies.
- Continuous employees enlightenment and education on COVID-19 precautionary measures
- Communication with customers and partners (brokers, agents, etc.) on the continuation of service delivery via e-business solutions.
- Sustained factual and effective communications to stakeholders
- Continuous assessment of the COVID-19 risks. In particular, as it affects employees, workplace facilities, customers, business operations, and community.
- A continued to monitor compliance to all COVID-19 strategies implemented to forestall any eventualities.
- Establishment of a cross-functional COVID-19 response team that reports to the Incident Management Team, and headed by one of the Executive Directors.
- Entrenchment of extant remote working strategy. This include including advising employees to temporarily work remotely and providing required resources for both onsite and offsite employees to facilitate optimal operations and customer satisfaction.

Impact of the pandemic on the business

The Company assessed the financial and capital impact on its business across its Life and Non-Life businesses with varying scenarios ranging from two-month year to a six-month of lockdown. We have assessed the impact of COVID-19 on the Company's operations, cash flow, liquidity, capital resources, strategic and brand as well as risks and uncertainties about the impact on future years. The outcome of the assessment does not suggest any significant adverse impact on the Company's survival and sustainability. Our core businesses, however, were affected as the pandemic hindered business development, disrupted plans for effective product mix, with consequent impact on our overall profit position.

Specifically, our Retail Life business saw a decline in uptake of multiyear and large case size policies across the board. Endowment, travel and Deferred Annuity product lines, which were positioned for growth at beginning of the year, were particularly impacted by the pandemic. Key trigger points were a slowed economic environment, increased business uncertainty and job disruption of targeted customers. Summarily, customers were simply unwilling to commit to longer term, higher premium risk-based policies.

Additionally, the general downward movement and volatility in financial market, particularly bond and currency markets have impacted our investment earnings by increasing the fair value gains on our investment portfolios with a corresponding increase in the fair valuation of our actuarial liabilities, while reducing the interest income attainable on our new investments. These developments have also necessitated a review of our projected earnings/Budget for FY2020 to reflect current market realities.

Within our Corporate Business unit, there was also considerable impact on the Oil and Gas product lines as oil prices crashed due to lower expected demand and a potential flooding of supply. Locally, this led to a stall in several major energy projects and streamline of larger sized energy projects. New business was constrained by movement restrictions, which affected the team's ability to carry out on-site risk inspections and evaluations.

To effectively navigate these challenges brought about by COVID -19, we will be working closely with our agents and brokers to define and deliver unique, simplified, cost-effective value propositions to our teeming customers across markets. We are also prioritising the adoption of digital tools and new tech to adequately surmount the constraints imposed on offline sales by COVID -19.

As the economy gradually reopens, our strategy will be to propel our performance for enhanced profitability through customer led innovation and deep market partnerships amongst other business recovery strategies.

As a socially responsible organization, we supported the Federal Government and Lagos State Government in the fight against the pandemic by providing life insurance to over 5,000 frontline Healthcare workers. In addition, we provided hygiene kits to pregnant women and established a feeding program, targeted at less privileged in vulnerable communities within Lagos State.

The Company will continue to make adequate mitigations and continuously ensure it proactively manages the impact of COVID-19 on its corporate existence and objectives. The Company will continue to monitor all the business risks and effectively mitigate these risks as they unfold. The management of AIICO Insurance PLC remains committed to meeting stakeholders' interests whilst taking the Company above and beyond

43 Events after the reporting date

(a) Bonus Shares

As stated in note 24 on share capital, the bonus of N10,458,650,290 (20,917,300,579 ordinary shares at 50 Kobo per share) declared by shareholders at the 30 Nov 2021 AGM on the 31 Dec 2020 Financial Statements, was approved by the Securities and Exchange Commission (SEC) on 6 January 2022. However, the bonus shares were reflected on the Company's shares in issue by the Stock Exchange a day after the Qualification date of 23 November 2021 and the share price was consequently devalued to reflect the new bonus shares on the same day. Hence, the bonus shares were reflected on the Financial Statements as at 31 Dec 2021.

Stated below was the Financial statements before and after reflecting the bonus:

Equity as at 31 Dec 2021	Before the Bonus			Update after Bonus	
In thousands of Naira	Group	Company	Effect of Bonus declared	Group	Company
Issued share capital	7,843,988	7,843,988	10,458,650	18,302,638	18,302,638
Share premium	7,037,181	7,037,181	(6,972,434)	64,747	64,747
Revaluation reserve	1,812,707	1,812,707	-	1,812,707	1,812,707
Fair value reserve	(1,683,037)	(1,016,727)	-	(1,683,037)	(1,016,727)
Foreign exchange gains reserve	175,600	175,600	-	175,600	175,600
Contingency reserve	8,304,604	8,304,604	-	8,304,604	8,304,604
Retained earnings	14,537,911	12,626,147	(3,486,216)	11,051,695	9,139,931
Shareholders' funds	38,028,953	36,783,500	-	38,028,953	36,783,500
Non-controlling interests	345,303	-	-	345,303	-
Total equity	38,374,256	36,783,500	-	38,374,256	36,783,500

(b) After the reporting period, the Company's remaining shares in AIICO Pension Managers was fully disposed of to FCMB Pensions. Hence, AIICO Insurance no longer has shares in AIICO Pension Managers.

44 Securities trading policy

(a) In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) AIICO Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes yearly reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

45 Risk management framework

(a) Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

Key management recognises the critical importance of having efficient and effective risk management systems in place. The Group has established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers.

Lastly, a Group policy framework which sets out the risk profiles for the Group, risk management, control and business conduct standards for the Group's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the Group.

The Board of directors approves the Group's risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Group's identification of risk, analysis and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting reinsurance strategy for apprpropriate Asset-Liability Management, to achieve the corporate goals, and specify reporting and regulatory requirements.

(b) Capital management objectives, policies and approach

The National Insurance Commission (NAICOM), sets and monitors capital requirements for Insurance Companies. The individual subsidiaries are directly supervised by other regulators, i.e., AIICO Capital Limited is regulated by the Nigerian Securities and Exchange Commission, AIICO Pensions Limited by the National Pension Commission while AIICO MULTISHIELD Limited is regulated by the National Health Insurance Scheme. Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Group Risk and Group Credit, and is subject to review by the Group Asset and Liability Management Committee (ALCO), as appropriate. The Group ensures it maintains the minimum required capital at all times throughout the year. The Regulatory capital for the non-life business is determined as the solvency margin while that of the life business is determined as the net asset value. The table below summarises the minimum required capital across the Group and the regulatory capital held against each of them.

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

(I) To maintain the required level of stability of the Group thereby providing a degree of security to policyholders and other stakeholders as required.

(II) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

(III) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

(IV) To align the profile of assets and liabilities taking account of risks inherent in the business.

(V) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

(VI) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(c) Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders. The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.
The primary source of capital used by the Group is equity shareholders' funds.
The Group has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

The table below shows the available capital resources as at 31 December:

	Group		Company	
In thousands of Naira	2021	2020	2021	2020
Total shareholders' funds	38,028,952	14,526,044	36,783,498	32,478,584
Regulatory required capital	5,000,000	5,000,000	5,000,000	5,000,000
Excess capital reserve	33,028,952	9,526,044	31,783,498	27,478,584

Regulatory framework

The insurance industry regulator measures the financial strength of Insurance companies using a Solvency Margin model. NAICOM generally expects insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (₦5billion) whichever is higher.

This test compares the insurer's capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. During the year, the Group has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations if the Group falls below this requirement.

(b) The solvency margin of the Company is as follows:

Solvency margin computation as at 31 December

In thousands of Naira			2021	2020
	Total	Inadmissible	Admissible	Admissible
Assets				
Cash and cash equivalents	9,062,962	961,156	8,101,806	9,279,385
Trade receivables	689,375	-	689,375	897,596
Reinsurance assets	10,387,924	-	10,387,927	7,496,395
Deferred acquisition cost	739,223	-	739,223	582,265
Financial assets	152,718,223	-	152,718,223	166,074,396
Right of use assets	105,855	105,855	-	-
Investment in subsidiaries	1,087,317	-	1,087,317	1,087,317
Investment in associates	705,691	-	705,691	-
Investment property	806,000	-	806,000	758,000
Property and equipment (Land & Building)	5,605,383	3,938,383	1,667,000	1,667,000
Property and equipment (Others)	1,242,056		1,242,056	307,554
Other receivables and prepayments	2,140,480	2,140,480	-	-
Statutory deposits	500,000	-	500,000	500,000
Intangible assets	838,253	800,863	37,390	61,516
Asset held for sale			-	1,365,042
	186,628,741	**7,946,737**	**178,682,008**	**190,076,466**
Liabilities				
Insurance contract liabilities	119,565,299	-	119,565,299	135,856,973
Investment contract liabilities	22,829,871	-	22,829,871	21,835,376
Trade payables	3,748,134	-	3,748,134	1,963,893
Other payables	3,394,547	-	3,394,549	3,892,160
Income tax payable	307,392	-	307,392	307,621
Convertible loan	-	-	-	-
Total admissible liabilities	**149,845,243**	**-**	**149,845,245**	**163,856,023**
Excess of total admissible assets over admissible liabilities			**28,836,762**	**26,220,442**
Higher of:				
Gross premium written			70,009,673	60,038,913
Less: Reinsurance expense			(12,133,221)	(7,901,040)
Net premium			57,876,452	52,137,873
15% of net premium			8,681,468	7,820,681
Minimum paid up capital			5,000,000	5,000,000
The higher thereof:			**8,681,468**	**7,820,681**
Excess of solvency margin over minimum capital base			**20,155,294**	**18,399,761**
Solvency margin ratio			**332%**	**335%**

Financial instruments - fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

GROUP
31 December 2021

	Carrying amount						Fair value			
In thousands of Naira	Designated at fair value	FVTPL	Amortized Cost	FVOCI	Other financial liabilties	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Debt Instruments	95,908,995	83,165,217	-	12,743,778	-	95,908,995	-	95,908,995	-	95,908,995
Equities	3,287,958	-	-	3,287,958	-	3,287,958	589,313	-	2,698,645	3,287,958
	99,196,953	83,165,217	-	16,031,736	-	99,196,953	589,313	95,908,995	2,698,645	99,196,953
Financial assets not measured at fair value										
Cash and cash equivalents	-	-	25,490,105	-	-	25,490,105	-	25,490,105	-	25,490,105
Trade Receivables*	-	-	728,518	-	-	728,518	-	728,518	-	728,518
Loans and receivables*	-	-	2,755,076	-	-	2,755,076	-	2,755,076	-	2,755,076
Reinsurance assets*^	-	-	7,909,040	-	-	7,909,040	-	7,909,040	-	7,909,040
Other receivables**	-	-	1,228,905	-	-	1,228,905	-	1,228,905	-	1,228,905
Debt Instruments^^	-	-	69,607,497	12,743,778	-	82,351,275	-	82,351,275	-	82,351,275
	-	-	107,719,140	12,743,778	-	120,462,918	-	120,462,918	-	120,462,918
Financial liabilities not measured at fair value										
Other payables and accruals	-	-	-	-	(3,070,989)	(3,070,989)	-	(3,070,989)	-	(3,070,989)
Trade payables*	-	-	-	-	(3,779,049)	(3,779,049)	-	(3,779,049)	-	(3,779,049)
Fixed income liabilities	-	-	(33,506,178)	-	-	(33,506,178)	-	(33,506,178)	-	(33,506,178)
Investment contract liabilties	-	-	(22,829,871)	-	-	(22,829,871)	-	(22,829,871)	-	(22,829,871)
	-	-	(56,336,049)	-	(6,850,038)	(63,186,087)	-	(63,186,087)	-	(63,186,087)

The Group has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Group has not disclosed the fair values for financial instruments such as short term trade receivables, payables, reinsurance assets, loans and receivables because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (₦2.9billion)

^^Debt instruments not measured at fair value are bonds and treasury bills measured at amortized cost. They include FGN bonds and treasury bills.

**Other receivables do not include prepayments of (₦974.5million) which are not financial assets.

COMPANY

31 December 2021

In thousands of Naira	Note	Carrying amount: Designated at fair value	Carrying amount: FVTPL	Carrying amount: Amortized Cost	Carrying amount: FVOCI	Carrying amount: Other financial liabilties	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
Financial assets measured at fair value											
Debt Instruments		85,489,701	83,165,217	-	2,324,484	-	85,489,701	-	85,489,701	-	85,489,701
Equities		3,255,611	-	-	3,255,611		3,255,611	556,966	-	2,698,645	3,255,611
		85,489,701	**83,165,217**	**-**	**5,580,095**	**-**	**88,745,312**	**556,966**	**85,489,701**	**2,698,645**	**88,745,312**
Financial assets not measured at fair value											
Cash and cash equivalents		-	-	9,062,962	-	-	9,062,962	-	9,062,962	-	9,062,962
Trade receivables*		-	-	689,375	-	-	689,375	-	689,375	-	689,375
Loans and receivables*		-	-	2,755,076	-	-	2,755,076	-	2,755,076	-	2,755,076
Reinsurance asset*^		-	-	7,909,040	-	-	7,909,040	-	7,909,040	-	7,909,040
Other receivables*,**				1,088,724	-	-	1,088,724	-	1,088,724	-	1,088,724
Debt Instruments^^		-	-	53,883,240	2,324,484	-	56,207,724	-	56,207,724	-	56,207,724
		-	**-**	**75,388,417**	**2,324,484**	**-**	**77,712,901**	**-**	**77,712,901**	**-**	**77,712,901**
Financial liabilities not measured at fair value											
Other payables and accruals		-	-	-	-	(3,394,547)	(3,394,547)	-	(3,394,547)	-	(3,394,547)
Trade payables		-	-	-	-	(3,748,134)	(3,748,134)	-	(3,748,134)	-	(3,748,134)
Investment contract liabilties		-	-	(22,829,871)	-	-	(22,829,871)	-	(22,829,871)	-	(22,829,871)
		-	**-**	**(22,829,871)**	**-**	**(7,142,680)**	**(29,972,551)**	**-**	**(29,972,551)**	**-**	**(29,972,551)**

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as short term trade receivables, payables, reinsurance assets, loans and receivables because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (₦2.9billion)

^^Debt instruments not measured at fair value are bonds and treasury bills measured at amortized cost. They include FGN bonds and treasury bills.

**Other receivables do not include prepayments (₦841.5million) which are not financial assets.

GROUP
31 December 2020

In thousands of Naira	Note	Carrying amount: Designated at fair value	Carrying amount: FVTPL	Carrying amount: Amortized Cost	Carrying amount: FVOCI	Carrying amount: Other financial liabilties	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
Financial assets measured at fair value											
Debt Instruments		139,289,729	117,013,926	-	22,275,803	-	278,579,457	-	139,289,729	139,289,729	278,579,457
Equities		5,000,098	-	-	5,000,098	-	5,000,098	1,863,882	-	3,136,216	5,000,098
		144,289,827	117,013,926	-	27,275,901	-	283,579,555	1,863,882	139,289,729	142,425,945	283,579,555
Financial assets not measured at fair value											
Cash and cash equivalents		-	-	31,913,335	-	-	31,913,335	-	31,913,335	-	31,913,335
Trade Receivables*		-	-	937,078			937,078	-	937,078	-	937,078
Loans and receivables		-	-	2,083,519	-	-	2,083,519	-	2,083,519	-	2,083,519
Reinsurance assets*^		-	-	5,560,764			5,560,764	-	5,560,764	-	5,560,764
Other receivables*,**		-	-	1,743,043			1,743,043	-	1,743,043	-	1,743,043
Debt Instruments^^		-	-	40,914,820	22,275,803	-	63,190,623	-	63,190,623	-	63,190,623
		-	-	83,152,559	22,275,803	-	105,428,361	-	105,428,361	-	105,428,361
Financial liabilities not measured at fair value											
Other payables and accruals		-	-	-	-	(4,289,575)	(4,289,575)	-	(4,289,575)	-	(4,289,575)
Trade payables		-	-	-	-	(2,020,724)	(2,020,724)	-	(2,020,724)	-	(2,020,724)
Fixed income liabilities		-	-	(43,046,848)	-	-	(43,046,848)	-	(43,046,848)	-	(43,046,848)
Investment contract liabilties		-	-	(21,835,376)	-	-	(21,835,376)	-	(21,835,376)	-	(21,835,376)
Long term borrowing		-	-	-	-	-	-	-	-	-	-
		-	-	(64,882,224)	-	(6,310,298)	(71,192,522)	-	(71,192,522)	-	(71,192,522)

The Group has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IAS 39 Financial instruments: Recognition and Measurement.

* The Group has not disclosed the fair values for financial instruments such as short term trade receivables, payables, reinsurance assets, loans and receivables because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (₦1.94billion)

**Other receivables do not include prepayments and subscription for shares (₦341.04million) which are not financial assets.

***Other payables and accruals do not include accrued expenses(₦508.6million) that are not financial liabilities.

COMPANY
31 December 2020

In thousands of Naira	Note	Designated at fair value	FVTPL	Amortized Cost	FVOCI	Other financial liabilties	Total	Level 1	Level 2	Level 3	Total
		Carrying amount						Fair value			
Financial assets measured at fair value											
Debt Instruments		123,191,037	117,013,926	-	6,177,111	-	246,382,073	-	123,191,037	123,191,037	246,382,073
Equities		4,967,751	-	-	4,967,751	-	4,967,751	1,831,535	-	3,136,216	4,967,751
		123,191,037	**117,013,926**	**-**	**11,144,862**	**-**	**251,349,824**	**1,831,535**	**123,191,037**	**126,327,253**	**251,349,824**
Financial assets not measured at fair value											
Cash and cash equivalents		-	-	9,279,385	-	-	9,279,385	-	9,279,385	-	9,279,385
Trade receivables*		-	-	897,596	-	-	897,596	-	897,596	-	897,596
Loans and receivables		-	-	2,083,519	-	-	2,083,519	-	2,083,519	-	2,083,519
Reinsurance assets*^		-	-	5,560,764	-	-	5,560,764	-	5,560,764	-	5,560,764
other receivables*,**		-	-	85,442	-	-	85,442	-	85,442	-	85,442
Debt Instruments^^		-	-	37,839,935	6,177,111	-	44,017,046	-	44,017,046	-	44,017,046
		-	**-**	**55,746,641**	**6,177,111**	**-**	**61,923,751**	**-**	**61,923,751**	**-**	**61,923,751**
Financial liabilities not measured at fair value											
Other payables*,***		-	-	-	-	(3,892,160)	(3,892,160)	-	(3,892,160)	-	(3,892,160)
Trade payables*		-	-	-	-	(1,963,893)	(1,963,893)	-	(1,963,893)	-	(1,963,893)
Investment contract liabilties		-	-	(21,835,376)	-	-	(21,835,376)	-	(21,835,376)	-	(21,835,376)
Long term borrowing		-	-	-	-	-	-	-	-	-	-
		-	**-**	**(21,835,376)**	**-**	**(5,856,052)**	**(27,691,428)**	**-**	**(27,691,428)**	**-**	**(27,691,428)**

The Group has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IAS 39 Financial instruments: Recognition and Measurement.

*The Group has not disclosed the fair values for financial instruments such as short term trade receivables, payables, reinsurance assets, loans and receivables because their carrying amounts are a reasonable approximation of fair value.

^Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (₦1.94billion)

**Other receivables do not include prepayments and subscription for shares (₦341.04million) which are not financial assets.

***Other payables and accruals do not include accrued expenses(₦465.6million) that are not financial liabilities.

(b) Measurement of fair values

(I) Transfer between Levels 1 and 2

At 31 December 2021, there was no transfer between level 1, level 2 and level 3 (2020: NIL)

(c) Risk management framework

The Company's board of directors has the overall responsibility for the establishment of oversight of the Group's enterprise risk management systems. The Board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management framework and activities. The committee reports regularly to the Board of directors for on its activities.

The Group's risk management policies are established to identify and analyse the risk faced by the group, to set appropriate risk limits and controls (through the risk appetite), and to monitor risks and adherence to limits. Risk mamangement policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The group, through its training and management standards and procedures, maintains and will continuously heighten a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(d) Financial risk management

The Group has exposure to the following risks arising from financial instruments
Credit risk
Liquidity risk
Market risk
Currency risk

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arisies principally from the Group's receivables from customers and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.
In addition to credit risks arising out of investments and transactions with clients, AIICO actively assumes credit risk through the writing of insurance business and the approval and issuance of loans. Credit risk can arise when a client defaults on loan payments or settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

AIICO's strategy as an Insurance Group does not entail the elimination of credit risk but rather to take on credit risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring credit risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate credit risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, AIICO manages its credit risk profile within the constraints of its overall Risk Appetite and structures its portfolio so that it provides optimal returns for the level of risk taken. Operationally, the Insurance Group Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.

The Group is committed to:

a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations;
b) Identify credit risk in each investment, loan or other activity of the Insurance Group;
c) Utilize appropriate, accurate and timely tools to measure credit risk;
d) Set acceptable risk parameters;
e) Maintain acceptable levels of credit risk for existing individual credit exposures;
f) Maintain acceptable levels of overall credit risk for AIICO's Portfolio; and
g) Coordinate Credit Risk Management with the management of other risks inherent in AIICO's business activities.

Unsecured exposures to high risk obligors, transactions with speculative cash flows, loans in which the Insurance Group will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization.

(a) Credit quality analysis

An asset will migrate down the ECL stages as asset quality deteriorates by comparing the credit risk rating of the asset at reporting date with its credit risk rating at origination using the Company's internal credit rating system. The trigger to move down an ECL stage is based on a pre-determined ratings downgrade shift that determines whether significant deterioration has occurred. Conversely, assets will migrate up an ECL stage as asset quality improves.

(I) Credit portfolio neither past due nor impaired

The following table sets out information about the credit quality of debt instruments measured at amortised cost, debt instruments measured at FVOCI . Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

At 31 December 2021

In thousands of naira	Group				Company			
	Federal Government bonds	Treasury bills	Corporate bonds	Total	Federal Government bonds	Treasury bills	Corporate bonds	Total
Performing	66,589,356	15,521,762	240,157	82,351,275	55,967,567	6,268,966	240,157	62,476,690
Underperforming	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
	66,589,356	15,521,762	240,157	82,351,275	55,967,567	6,268,966	240,157	62,476,690
Loss allowance	(17,780)	106	-	(17,674)	(17,780)	-	-	(17,780)
Carrying amount	**66,571,576**	**15,521,868**	**240,157**	**82,333,601**	**55,949,787**	**6,268,966**	**240,157**	**62,458,910**

The following table sets out information about the credit quality of loans measured at amortised cost;

At 31 December 2021

In thousands of naira	Group				Company			
	Policyholders loan	Staff loan	Agent loan	Other loans	Policyholders loan	Staff loan	Agent loan	Other loans
Performing	2,620,611	1,007,578	80,188	134,465	2,620,611	910,476	80,188	134,465
Underperforming	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
	2,620,611	1,007,578	80,188	134,465	2,620,611	910,476	80,188	134,465
Loss allowance	-	-	-	(1,697)	-	-	-	-
Carrying amount	**2,620,611**	**1,007,578**	**80,188**	**132,767**	**2,620,611**	**910,476**	**80,188**	**134,465**

(ii) **Loss allowance**

Measurement basis under IFRS 9

The following table shows reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Explanation of the terms: 12-month ECL (stage 1), lifetime ECL (stage 2) and credit-impaired (stage 3) are included in Note 3.4.4 (Impairment of financial assets) in the accounting policies.

Group — Debt instruments measured at amortised cost

In thousands of naira	2021 "12-month ECL Individual"	2021 Lifetime ECL not credit-impaired	2021 Lifetime ECL credit-impaired	2021 Purchased or originated credit-impaired	2021 Total	2020 Total
Balance at 1 January	27,218	-	-	-	27,218	41,612
Net remeasurement of loan	(7,846)	-	-	-	(7,846)	42,426
Closing balance	19,373	-	-	-	19,373	84,038
Gross amount	**69,607,497**	**-**	**-**	**-**	**69,607,497**	**24,150,389**

Company — Debt instruments measured at amortised cost

In thousands of naira	2021 "12-month ECL Individual"	2021 Lifetime ECL not credit-impaired	2021 Lifetime ECL credit-impaired	2021 Purchased or originated credit-impaired	2021 Total	2020 Total
Balance at 1 January	35,897	-	-	-	35,897	-
Net remeasurement of loan	(10,368)	-	-	-	(10,368)	-
Closing balance	25,529	-	-	-	25,529	-
Grosss amount	**60,152,206**	**-**	**-**	**-**	**60,152,206**	**-**

Group — Debt instruments measured at fair value through OCI

In thousands of naira	2021 "12-month ECL Individual"	2021 Lifetime ECL not credit-impaired	2021 Lifetime ECL credit-impaired	2021 Purchased or originated credit-impaired	2021 Total	2020 Total
Balance at 1 January	41,612	-	-	-	41,612	38,773
Net remeasurement of loan	54,618	-	-	-	54,618	2,839
Closing balance	96,230	-	-	-	96,230	41,612
Gross amount	**12,743,778**	**-**	**-**	**-**	**12,743,778**	**14,954,282**

Company — Debt instruments measured at fair value through OCI

In thousands of naira	2021 "12-month ECL Individual"	2021 Lifetime ECL not credit-impaired	2021 Lifetime ECL credit-impaired	2021 Purchased or originated credit-impaired	2021 Total	2020 Total
Balance at 1 January	34,256	-	-	-	34,256	35,831
Net remeasurement of loan	1,701	-	-	-	1,701	(1,575)
Closing balance	35,957	-	-	-	35,957	34,256
Gross amount	**2,360,441**	**-**	**-**	**-**	**2,360,441**	**4,729,522**

Group — Loans to Policyholders, Agents and Staff

In thousands of naira	2021 "12-month ECL Individual"	2021 Lifetime ECL not credit-impaired	2021 Lifetime ECL credit-impaired	2021 Purchased or originated credit-impaired	2021 Total	2020 Total
Balance at 1 January	-	-	-	-	-	-
Net remeasurement of loan	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Gross amount	**3,842,842**	**-**	**-**	**-**	**3,842,842**	**2,326,827**

Company — Loans to Policyholders, Agents and Staff

In thousands of naira	2021 "12-month ECL Individual"	2021 Lifetime ECL not credit-impaired	2021 Lifetime ECL credit-impaired	2021 Purchased or originated credit-impaired	2021 Total	2020 Total
Balance at 1 January	-	-	-	-	-	-
Net remeasurement of loan	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Gross amount	**3,745,740**	**-**	**-**	**-**	**3,745,740**	**2,175,063**

(iii) Collateral held and other credit enhancements

A key mitigation step employed by the Group in its credit risk management process includes the use of collateral securities to secure its loans as an alternative source of repayment during adverse conditions.

All loans granted to policyholders, Agents and Staff are collaterized by the cash value of the policies, the Agent pension fund balance which is managed by the Group and gratuity due to various staff together with the provided guarantors respectively.

b Geographical sectors

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a very high credit rating.

The maximum exposure to credit risk for debt securities at the reporting date per geo-political region was as follows:

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
South South	281,954	281,954	281,954	281,954
South West*	165,234,538	82,061,233	145,359,953	70,033,683
	165,516,492	82,343,187	145,641,907	70,315,636

*The South West figures includes Federal Government of Nigeria issued debt securities such as bonds and treasury bills .

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with itsfinancial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managingliquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

"The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December2021:

Group

31 December 2021

In thousands of naira	Carrying amount	Gross nominal cashflow	Contractual cash flows 3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Trade and other receivables	728,518	820,229	689,375	49,214	81,640	-	-
Financial Assets	172,698,235	172,719,305	16,764,764	3,870,632	25,945,775	8,442,108	119,661,518
Cash and cash equivalents	25,490,105	25,515,605	25,490,105	-	-	-	-
	198,916,857	199,055,139	42,944,243	3,919,846	26,027,416	8,442,108	119,661,518
Investment contract liabilities	22,829,871	22,829,871	-	-	22,829,871	-	-
Fixed income liabilities	33,506,178	33,506,178	-	-	33,506,178	-	-
Trade payables	3,779,049	3,779,049	256,784	3,522,265	-	-	-
	60,115,098	60,115,098	256,784	3,522,265	56,336,049	-	-
Liquidity gap	138,801,759	138,940,041	42,687,459	397,581	(30,308,634)	8,442,108	119,661,518

Company

31 December 2021

In thousands of naira	Carrying amount	Gross nominal cashflow	Contractual cash flows 3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Trade and other receivables	689,375	689,375	689,375	-	-	-	-
Financial Assets	152,695,732	179,300,276	4,774,487	35,294,463	4,465,542	5,154,150	129,611,633
Cash and cash equivalents	9,062,962	9,095,542	9,090,329	-	-	-	-
	162,448,069	189,085,192	14,554,190	35,294,463	4,465,542	5,154,150	129,611,633
Investment contract liabilities	22,829,871	22,829,871	-	-	22,829,871	-	-
Trade payables	3,748,134	3,748,134	209,736	3,538,398	-	-	-
	26,578,005	26,578,005	209,736	3,538,398	22,829,871	-	-
Liquidity gap	135,870,064	162,507,187	14,344,454	31,756,066	(18,364,329)	5,154,150	129,611,633

Group

31 December 2020			Contractual cash flows				
In thousands of naira	Carrying amount	Gross nominal cashflow	3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Trade and other receivables	937,078	937,078	897,596	39,482	-	-	-
Financial Assets	188,342,047	188,342,047	11,510,426	17,209,953	36,402,332	57,103,721	66,115,616
Cash and cash equivalents	31,913,335	31,913,335	31,913,335	-	-	-	-
	221,192,460	221,192,461	44,321,357	17,249,435	36,402,332	57,103,721	66,115,616
Investment contract liabilities	21,835,376	21,835,376	-	-	21,835,376	-	-
Fixed Income liabilities	43,046,848	43,046,848	-	-	43,046,848	-	-
Trade payables	1,963,893	1,963,893	187,652	1,776,241	-	-	-
	66,846,117	66,846,117	187,652	1,776,241	64,882,224	-	-
Liquidity gap	154,346,344	154,346,344	44,133,705	15,473,194	(28,479,892)	57,103,721	66,115,616

Company

31 December 2020			Contractual cash flows				
In thousands of naira	Carrying amount	Gross nominal cashflow	3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Trade and other receivables	897,596	897,596	897,596	-	-	-	-
Financial Assets	166,074,396	166,074,396	1,967,451	9,621,739	55,065,265	38,413,188	61,006,754
Cash and cash equivalent	9,279,385	9,282,747	9,279,385	-	-	-	-
	176,251,377	176,254,739	12,144,432	9,621,739	55,065,265	38,413,188	61,006,754
Investment contract liabilities	21,835,376	21,835,376	-	-	21,835,376	-	-
Trade payables	1,963,893	1,963,893	945,826	1,018,067	-	-	-
	23,799,269	23,799,269	945,826	1,018,067	21,835,376	-	-
Liquidity gap	152,452,109	152,455,470	11,198,606	8,603,672	33,229,889	38,413,188	61,006,754

Group

In thousands of naira	2021 Current	2021 Non-Current	2021 Total	2020 Current	2020 Non-Current	2020 Total
Cash and cash equivalents	25,490,105	-	25,490,105	5,324,739	-	5,324,739
Financial assets	99,196,953	73,506,456	172,703,409	64,609,770	24,630,658	89,240,428
Trade receivable	728,518	-	728,518	417,102	-	417,102
Reinsurance assets	10,387,924	-	10,387,924	4,686,029	-	4,686,029
Deferred acquisition cost	739,223	-	739,223	465,991	-	465,991
Other receivables and prepayments	2,411,790	-	2,411,790	580,618	-	580,618
Deferred tax asset	-	1,252	1,252	-	149,379	149,379
Investment property	-	806,000	806,000	-	555,000	555,000
Goodwill and other intangible assets	-	934,748	934,748	-	1,014,085	1,014,085
Property and equipment	-	7,068,787	7,068,787	-	7,025,197	7,025,197
Statutory deposit	-	500,000	500,000	-	530,000	530,000
Total assets	**138,954,514**	**82,817,243**	**221,771,756**	**76,084,249**	**33,904,319**	**109,988,566**
Insurance contract liabilities	4,626,909	115,149,422	119,776,331	3,362,876	62,177,656	65,540,532
Investment contract liabilities	-	22,829,871	22,829,871	-	12,319,617	12,319,617
Trade payables	3,779,049	-	3,779,049	1,013,475	-	1,013,475
Other payables and accruals	3,700,219	-	3,700,219	2,213,547	-	2,213,547
Fixed income liability	33,506,178	-	33,506,178	10,181,251	-	10,181,251
Current tax payable	407,282	-	407,282	590,976	-	590,976
Deferred tax liability		7,666	7,666	-	533,836	533,836
Long term borrowing	-	-	-	190,399	2,134,334	2,324,733
Total liabilities	**46,019,636**	**137,986,959**	**184,006,596**	**17,552,524**	**77,165,443**	**94,717,967**

Company

In thousands of naira	2021 Current	2021 Non-Current	2021 Total	2020 Current	2020 Non-Current	2020 Total
Cash and cash equivalents	9,062,962	-	9,062,962	4,519,953	-	4,519,953
Financial assets	88,745,312	63,972,911	152,718,223	52,270,028	24,487,605	76,757,633
Trade receivable	689,375	-	689,375	131,841	-	131,841
Reinsurance assets	10,387,924	-	10,387,924	4,686,029	-	4,686,029
Deferred acquisition cost	739,223	-	739,223	465,991	-	465,991
Other receivables and prepayments	2,140,480	-	2,140,480	408,428	-	408,428
Investment in subsidiaries	-	1,087,317	1,087,317	-	2,452,359	2,452,359
Investment property	-	806,000	806,000	-	555,000	555,000
Property and equipment	-	838,252	838,252	-	965,906	965,906
Goodwill and other intangible assets	-	6,847,439	6,847,439	-	6,697,107	6,697,107
Statutory deposit	-	500,000	500,000	-	530,000	530,000
Total assets	**111,765,276**	**74,051,920**	**185,817,195**	**62,482,270**	**35,687,977**	**98,170,246**
Insurance contract liabilities	4,590,505	114,974,794	119,565,299	3,163,894	62,177,656	65,341,550
Investment contract liabilities	-	22,829,871	22,829,871	-	12,319,617	12,319,617
Trade payables	3,748,134	-	3,748,134	839,400	-	839,400
Other payables and accruals	3,394,547	-	3,394,547	2,002,558	-	2,002,558
Current tax payable	307,392	-	307,392	507,241	-	507,241
Deferred tax liability	-	-	-	-	487,836	487,836
Long term borrowing	-	-	-	-	2,324,733	2,324,733
Total liabilities	**12,040,578**	**137,804,665**	**149,845,243**	**6,513,093**	**77,309,842**	**83,822,935**

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(iv) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium, claims and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of Group companies is the Nigerian naira.

The currencies in which these transactions are primarily denominated are the Nigerian naira. However, the Group receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Group transacts in include euro, british pounds and united states dollars.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

GROUP

	31 December 2021				31 December 2020			
In thousands of	Carrying Value	EUR	USD	GBP	Carrying Value	EUR	USD	GBP
Cash and cash equivalent	2,884,272	34,172	2,822,164	27,936	198,535	34,172	136,427	27,936
Financial assets	1,029,557	-	1,029,557	-	1,114,810	-	1,114,810	-
Net statement of financial position exposure	3,913,829	34,172	3,851,721	27,936	1,313,344	34,172	1,251,236	27,936

COMPANY

	31 December 2021				31 December 2020			
In thousands of	NGN	EUR	USD	GBP	NGN	EUR	USD	GBP
Cash and cash equivalent	2,884,272	34,172	2,822,164	27,936	198,535	34,172	136,427	27,936
Financial assets	1,029,557	-	1,029,557	-	1,114,810	-	1,114,810	-
Net statement of financial position exposure	3,913,829	34,172	3,851,721	27,936	1,313,344	34,172	1,251,236	27,936

The following significant exchange rates have been applied.

	Year-end spot rate	
Naira	**2021**	**2020**
USD 1	435	410.25
GBP 1	555	516
EUR 1	466	467

Sensitivity analysis

A reasonably possible strengthening (weakening) of the euro, US dollar, sterling or Swiss franc against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	GROUP				COMPANY			
	Profit or loss		Equity, net of tax		Profit or loss		Equity, net of tax	
Effects in thousands of naira	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
31 December 2021								
EUR (10% movement)	3,417	(3,417)	3,417	(3,417)	3,417	(3,417)	3,417	(3,417)
USD (10% movement)	385,172	385,172	385,172	385,172	385,172	385,172	385,172	385,172
GBP (10% movement)	2,794	(2,794)	2,794	(2,794)	2,794	(2,794)	2,794	(2,794)
31 December 2020								
EUR (10% movement)	3,417	(3,417)	3,417	(3,417)	3,417	(3,417)	3,417	(3,417)
USD (10% movement)	125,124	125,124	125,124	125,124	125,124	125,124	125,124	125,124
GBP (10% movement)	2,794	(2,794)	2,794	(2,794)	2,794	(2,794)	2,794	(2,794)

(c)(v) Interest rate risk

The Group adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate. The exception is the dollar denominated variable rate loan obtained by the Group from IFC. This eliminates the variability in the risks and returns on the Group's interest bearing assets and liabilities.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Fixed-rate instruments				
Cash deposits	22,442,215	17,943,541	4,867,214	3,075,651
Debt securities	165,516,492	180,635,697	145,641,907	158,389,594
Money market placements	22,442,215	17,943,541	4,867,214	3,075,651
	210,400,921	216,522,780	155,376,335	164,540,896

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Fixed-rate liabilities				
Fixed income liabilities	(33,506,178)	(43,046,848)	-	-
	(33,506,178)	(43,046,848)	-	-
Variable-rate instruments				
Long term convertible loan	-	(2,324,733)	-	(2,324,733)
	-	(2,324,733)	-	(2,324,733)

Cashflow sensitivity analysis for fixed-rate instruments

Effects in thousands of naira	GROUP Profit or (loss) 100bp increase	GROUP Profit or (loss) 100bp decrease	GROUP Equity, net of tax 100bp increase	GROUP Equity, net of tax 100bp decrease	COMPANY Profit or (loss) 100bp increase	COMPANY Profit or (loss) 100bp decrease	COMPANY Equity, net of tax 100bp increase	COMPANY Equity, net of tax 100bp decrease
31 December 2021								
Financial assets	2,104,009	(2,104,009)	2,104,009	(2,104,009)	1,553,763	(1,553,763)	1,553,763	(1,553,763)
	2,104,009	(2,104,009)	2,104,009	(2,104,009)	1,553,763	(1,553,763)	1,553,763	(1,553,763)
31 December 2020								
Financial assets	2,165,228	(2,165,228)	2,165,228	(2,165,228)	1,645,409	(1,645,409)	1,645,409	(1,645,409)
	2,165,228	(2,165,228)	2,165,228	(2,165,228)	1,645,409	(1,645,409)	1,645,409	(1,645,409)

Cashflow sensitivity analysis for variable-rate instruments

Effects in thousands of naira	GROUP Profit or (loss) 100bp increase	GROUP Profit or (loss) 100bp decrease	GROUP Equity, net of tax 100bp increase	GROUP Equity, net of tax 100bp decrease	COMPANY Profit or (loss) 100bp increase	COMPANY Profit or (loss) 100bp decrease	COMPANY Equity, net of tax 100bp increase	COMPANY Equity, net of tax 100bp decrease
31 December 2021								
Financial assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
31 December 2020								
Financial assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant.

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk

The Group is exposed to equity price risk, which arises from financial asset designated at other comprehensive income held for partially meeting the claims and benefits obligations. The management of the Group monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee

The primary goal of the Group's investment strategy is to maximise investment returns, both to partially meet the Group's claims and benefits obligations and to improve its returns in general.

Sensitivity analysis - Equity price risk

All of the Group's listed equity investments are listed on the Nigerian Stock Exchange and are classified as fair value through other comprehensive income.

47 Insurance Risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

(a) Life insurance contracts (including investment contracts)

Life insurance contracts offered by the Group include: whole life, term assurance and deposit administration. Whole life and term assurance are conventional regular premium products when lump sum benefits are payable on death or permanent disability. Deposit administration is an investment product which accepts deposit from clients and other businesses of savings nature, by agreeing to pay interest on those deposits for an agreed period. For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. For annuity contracts, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims' handling procedures.

Underwriting limits are in place to enforce appropriate risk selection criteria. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

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Key assumptions

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. The key assumptions are as follows:

Valuation basis	2021	2020
a. Economic assumptions		
i. Net valuation interest rate for the long term risk business	12.80%	8.50%
ii. Annuity valuation rate	13.05%	8.50%
iii. Tax adjustment (on projected returns)		
i. Inflation rate	12.00%	12.00%
b. Non - Economic assumptions		
I. Acquisition expense to maintenance expense	56:44	56:44
ii. Per policy expense assumption (per annum)	N3,600	N4,900
iii. Mortality assumption (based on assured lifetable)	Non Annuities: 90% of A67/70 UK Annuities: UK Pa90 (-1) adjusted based on experience	Non Annuities: 90% of A67/70 UK Annuities: UK Pa90 (-1) adjusted based on experience

Sensitivities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing theimpact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimateclaims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

Sensitivity of liability to changes in long term valuation assumptions
31 December 2021 actuarial valuation

N'000	Base	VIR +1%	VIR -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual Risk Reserve (Excluding Annuity)	31,238,216	29,330,954	33,374,049	31,513,995	30,963,332	31,343,064	31,140,403	31,319,260	31,157,112
Annuity (PRA)	43,785,472	41,579,253	46,238,594	43,855,094	43,715,851	43,950,522	43,662,842	43,488,478	44,091,476
Annuity (Others)	18,925,417	17,275,021	20,956,741	18,973,124	18,877,915	19,082,154	18,823,235	18,851,555	19,001,799
Investment Linked Products	19,993,119	19,993,119	19,993,119	19,993,119	19,993,119	19,993,119	19,993,119	19,993,119	19,993,119
Group DA	2,836,752	2,836,752	2,836,752	2,836,752	2,836,752	2,836,752	2,836,752	2,836,752	2,836,752
Group Credit Life	166,635	166,635	166,635	166,635	166,635	166,635	166,635	166,635	166,635
Group Life - UPR	1,189,343	1,189,343	1,189,343	1,189,343	1,189,343	1,189,343	1,189,343	1,189,343	1,189,343
Group Life - AURR	114,838	114,838	114,838	114,838	114,838	114,838	114,838	114,838	114,838
Group Life - IBNR	1,460,054	1,460,054	1,460,054	1,460,054	1,460,054	1,460,054	1,460,054	1,460,054	1,460,054
Group Life -OCR	1,729,092	1,729,092	1,729,092	1,729,092	1,729,092	1,729,092	1,729,092	1,729,092	1,729,092
Additional Reserves	5,666,314	5,666,314	5,666,314	5,666,314	5,666,314	5,666,314	5,666,314	5,666,314	5,666,314
	127,105,253	**121,341,376**	**133,725,531**	**127,498,361**	**126,713,245**	**127,531,887**	**126,782,628**	**126,815,441**	**127,406,535**
Reinsurance	(1,311,426)	(1,311,426)	(1,311,426)	(1,311,426)	(1,311,426)	(1,311,426)	(1,311,426)	(1,311,426)	(1,311,426)
Net Liability	**125,793,827**	**120,029,950**	**132,414,105**	**126,186,935**	**125,401,819**	**126,220,461**	**125,471,202**	**125,504,015**	**126,095,109**
% change in Net Liability		**-4.58%**	**5.26%**	**0.31%**	**-0.31%**	**0.34%**	**-0.26%**	**-0.23%**	**0.24%**

Summary	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual	119,608,538	113,844,662	126,228,817	120,001,647	119,216,531	120,035,172	119,285,913	119,318,727	119,909,821
Group	6,185,289	6,185,289	6,185,289	6,185,289	6,185,289	6,185,289	6,185,289	6,185,289	6,185,289
Net Liability	125,793,827	120,029,950	132,414,105	126,186,935	125,401,819	126,220,461	125,471,202	125,504,015	126,095,109
% change in Liability		**-4.58%**	**5.26%**	**0.31%**	**-0.31%**	**0.34%**	**-0.26%**	**-0.23%**	**0.24%**

All stresses were applied independently
Stresses not applied to individual reinsurance asset due to immateriality
The mortality stress has been applied in the opposite direction for annuities.

(b) Non-life insurance contracts

The Group principally issues the following types of general insurance contracts: fire, motor, casualty, workmen compensation, personal accident, marine, Special oil and Agric. Risks under non–life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Key assumptions

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year.

Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: one–off occurrence, changes in market factors such as public attitude to claims, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates

Sensitivities

The non–life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The Group has taken advantage of the transitional rules of IFRS 4 that permit only five years of information to be disclosed upon adoption of IFRS.

In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease. However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

Claims data

The claims data has eight risk groups – Marine, Motor, Casualty, Fire, Personal Accident, Special Oil , Workmen Compensation and Agric. The combined claims data for all lines of business between 2011 and 2021 are summarized in the table below:

Incremental chain ladder - yearly projections

Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	778,837,440	1,337,332,089	223,108,441	334,890,266	70,996,549	22,131,520	6,449,833	3,097,658	1,107,155	2,075,181	3,021,875
2012	798,430,384	1,448,406,053	525,271,911	279,439,149	113,328,530	61,907,342	24,332,367	1,377,655	6,259,546	3,368,634	
2013	921,671,366	981,670,275	185,624,210	46,839,246	53,440,190	17,902,903	1,096,631	5,276,093	5,390,789		
2014	1,436,510,536	1,368,124,182	406,244,238	29,727,211	27,753,377	10,319,569	5,416,511	21,356,898			
2015	1,207,317,680	1,410,110,583	110,938,941	149,494,387	65,610,781	13,830,193	18,510,606				
2016	1,442,222,465	1,337,949,024	304,694,803	109,357,544	90,386,036	112,287,595					
2017	2,134,993,116	2,158,316,699	691,235,178	677,579,373	119,473,528						
2018	2,426,662,125	2,316,706,490	333,282,968	260,389,780							
2019	2,983,395,788	3,225,047,370	673,341,204								
2020	4,712,916,225	3,033,215,972									
2021	2,640,978,508										

Gross claim reserving

The claims paid are allocated to claim development years. In the Motor business class for example, of the claims that arose in 2011, N368.9million was paid in 2011 (development year 1), N202million in 2012 (development year 2) etc.

The tables shown are the step by step output of the Inflation Adjusted Basic Chain Ladder (IABCL) Method in estimating Gross Claims Reserve. These are based on the 31 December 2021 valuation.

Basic chain ladder method - gross motor claims

Incremental Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	368,880	202,548	8,594	5,498	3,077	1,030	202	135	-	1,800	3,022
2012	395,039	250,654	3,916	4,073	1,724	281	67	218	-	-	
2013	489,232	173,416	41,806	2,432	8,915	1,100	954	-	-		
2014	558,462	230,849	6,682	2,628	11,547	-	-	-			
2015	614,947	152,874	14,460	7,545	-	-	-				
2016	550,304	208,225	5,587	625	2,094	-					
2017	593,740	238,117	2,566	1,450	1,122						
2018	665,796	232,437	13,034	750							
2019	591,645	182,261	4,386								
2020	568,360	260,833									
2021	690,943										

Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	1,176,517	576,798	22,661	13,387	6,835	1,930	329	197	-	2,081	3,022
2012	1,124,956	660,916	9,535	9,047	3,233	456	98	285	-	-	
2013	1,289,989	422,214	92,869	4,560	14,488	1,606	1,246	-	-		
2014	1,359,679	512,814	12,528	4,271	16,863	-	-	-			
2015	1,366,062	286,630	23,500	11,018	-	-	-				
2016	1,031,787	338,398	8,159	816	2,421	-					
2017	964,919	347,751	3,351	1,677	1,122						
2018	972,341	303,492	15,071	750							
2019	772,507	210,748	4,386								
2020	657,195	260,833									
2021	690,943										

Projected Inflation Adjusted Chain Ladder Table

Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	1,176,517	1,753,315	1,775,975	1,789,363	1,796,197	1,798,128	1,798,457	1,798,653	1,798,653	1,800,735	1,803,757
2012	1,124,956	1,785,872	1,795,407	1,804,454	1,807,687	1,808,143	1,808,241	1,808,526	1,808,526	1,808,526	1,808,526
2013	1,289,989	1,712,204	1,805,073	1,809,633	1,824,121	1,825,727	1,826,973	1,826,973	1,826,973	1,827,524	1,827,524
2014	1,359,679	1,872,493	1,885,021	1,889,292	1,906,155	1,906,155	1,906,155	1,906,155	1,906,745	1,907,321	1,907,321
2015	1,366,062	1,652,692	1,676,192	1,687,210	1,687,210	1,687,210	1,687,210	1,688,424	1,688,947	1,689,457	1,689,457
2016	1,031,787	1,370,186	1,378,345	1,379,161	1,381,582	1,381,582	1,383,142	1,384,138	1,384,566	1,384,984	1,384,984
2017	964,919	1,312,669	1,316,020	1,317,697	1,318,819	1,321,906	1,323,399	1,324,351	1,324,761	1,325,161	1,325,161
2018	972,341	1,275,834	1,290,904	1,291,654	1,296,628	1,299,663	1,301,131	1,302,067	1,302,470	1,302,863	1,302,863
2019	772,507	983,256	987,641	996,456	1,000,293	1,002,634	1,003,767	1,004,489	1,004,800	1,005,103	1,005,103
2020	657,195	918,028	934,476	942,816	946,447	948,662	949,733	950,417	950,711	950,998	950,998
2021	690,943	958,309	975,479	984,186	987,975	990,288	991,406	992,120	992,427	992,727	992,727

Basic chain ladder method - casualty

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	107,478	174,649	55,652	24,263	6,050	4,068	5,190	959	68	101	-
2012	108,972	155,291	70,227	21,321	3,096	5,602	1,032	627	60	78	
2013	141,592	185,372	35,669	12,063	17,185	3,742	143	3,272	4,294		
2014	155,669	161,912	58,720	11,012	3,024	3,496	4,065	1,219			
2015	212,854	177,984	30,524	29,049	8,156	3,449	191				
2016	274,466	184,060	42,504	27,268	5,915	860					
2017	363,357	263,587	102,919	15,228	5,059						
2018	427,255	314,206	60,617	18,303							
2019	423,853	421,493	36,914								
2020	447,981	489,951									
2021	411,072										

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	342,795	497,350	146,742	59,072	13,440	7,627	8,434	1,400	88	117	-
2012	310,319	409,467	170,980	47,364	5,806	9,104	1,507	819	78	78	
2013	373,344	451,322	79,236	22,618	27,928	5,466	186	3,784	4,294		
2014	379,005	359,676	110,097	17,896	4,416	4,565	4,700	1,219			
2015	472,841	333,710	49,606	42,423	10,650	3,988	191				
2016	514,608	299,126	62,074	35,604	6,839	860					
2017	590,511	384,947	134,381	17,608	5,059						
2018	623,971	410,256	70,091	18,303							
2019	553,422	487,372	36,914								
2020	518,000	489,951									
2021	411,072										

Projected Inflation Adjusted Chain Ladder Table

Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	342,795	840,145	986,886	1,045,958	1,059,398	1,067,025	1,075,459	1,076,860	1,076,948	1,077,065	1,077,065
2012	310,319	719,786	890,766	938,130	943,935	953,039	954,546	955,365	955,443	955,522	955,522
2013	373,344	824,666	903,902	926,520	954,448	959,914	960,100	963,884	968,178	968,219	968,219
2014	379,005	738,681	848,778	866,675	871,091	875,656	880,356	881,575	882,047	882,084	882,084
2015	472,841	806,551	856,157	898,581	909,230	913,218	913,409	914,571	915,060	915,099	915,099
2016	514,608	813,733	875,807	911,411	918,250	919,110	921,914	923,087	923,580	923,620	923,620
2017	590,511	975,458	1,109,839	1,127,447	1,132,507	1,138,789	1,142,264	1,143,717	1,144,328	1,144,377	1,144,377
2018	623,971	1,034,227	1,104,319	1,122,621	1,141,746	1,148,079	1,151,582	1,153,047	1,153,664	1,153,713	1,153,713
2019	553,422	1,040,794	1,077,708	1,123,183	1,142,317	1,148,654	1,152,159	1,153,625	1,154,242	1,154,291	1,154,291
2020	518,000	1,007,951	1,129,109	1,176,754	1,196,800	1,203,439	1,207,111	1,208,647	1,209,293	1,209,345	1,209,345
2021	411,072	809,428	906,723	944,984	961,082	966,413	969,362	970,595	971,114	971,156	971,156

Basic chain ladder method - Fire

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	182,516	312,871	33,345	920	707	765	309	579	462	-	-
2012	145,488	138,284	84,494	1,421	7	1,340	78	-	-	-	
2013	161,371	194,379	24,521	25,317	8,164	-	-	-	-		
2014	175,068	206,422	103,415	11,402	3,784	399	-	-			
2015	206,687	222,698	38,360	22,578	57,335	1,546	18,320				
2016	339,325	299,948	55,487	50,627	5,477	60,084					
2017	316,219	118,487	39,658	57,756	77,696						
2018	442,329	432,436	45,843	49,310							
2019	519,444	326,613	85,965								
2020	362,116	477,354									
2021	329,591										

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	582,121	890,966	87,924	2,240	1,571	1,433	502	845	603	-	-
2012	414,306	364,623	205,716	3,156	14	2,178	113	-	-	-	
2013	425,499	473,251	54,472	47,468	13,267	-	-	-	-		
2014	426,236	458,552	193,897	18,529	5,526	521	-	-			
2015	459,140	417,545	62,342	32,973	74,862	1,788	18,320				
2016	636,214	487,461	81,034	66,103	6,333	60,084					
2017	513,905	173,041	51,781	66,784	77,696						
2018	645,985	564,629	53,008	49,310							
2019	678,235	377,663	85,965								
2020	418,714	477,354									
2021	329,591										

Projected Inflation Adjusted Chain Ladder Table

Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	582,121	1,473,087	1,561,010	1,563,250	1,564,821	1,566,255	1,566,757	1,567,602	1,568,205	1,568,205	1,568,205
2012	414,306	778,929	984,645	987,801	987,815	989,993	990,106	990,106	990,106	990,106	990,106
2013	425,499	898,749	953,221	1,000,689	1,013,956	1,013,956	1,013,956	1,013,956	1,013,956	1,013,956	1,013,956
2014	426,236	884,788	1,078,685	1,097,215	1,102,740	1,103,261	1,103,261	1,103,261	1,103,448	1,103,448	1,103,448
2015	459,140	876,685	939,026	971,999	1,046,861	1,048,649	1,066,969	1,069,626	1,069,807	1,069,807	1,069,807
2016	636,214	1,123,675	1,204,709	1,270,812	1,277,145	1,337,229	1,343,664	1,347,010	1,347,238	1,347,238	1,347,238
2017	513,905	686,946	738,727	805,510	883,207	890,926	895,213	897,443	897,594	897,594	897,594
2018	645,985	1,210,614	1,263,622	1,312,932	1,343,537	1,355,279	1,361,801	1,365,193	1,365,423	1,365,423	1,365,423
2019	678,235	1,055,898	1,141,863	1,179,385	1,206,877	1,217,425	1,223,283	1,226,330	1,226,537	1,226,537	1,226,537
2020	418,714	896,069	990,406	1,022,951	1,046,796	1,055,945	1,061,026	1,063,669	1,063,848	1,063,848	1,063,848
2021	329,591	636,601	703,621	726,742	743,683	750,183	753,793	755,670	755,798	755,798	755,798

Basic chain ladder method - personal accident

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	1,179	2,571	2,574	544	-	958	-	-	-	174	-
2012	4,661	7,671	1,005	3,541	1,357	150	-	-	-	-	
2013	7,878	6,264	839	471	1,109	-	-	-	-		
2014	5,887	4,526	1,303	146	-	26	-	-			
2015	4,799	11,891	2,399	-	-	-	-				
2016	13,470	13,880	4,318	1,844	-	-					
2017	5,468	5,061	46	-	293						
2018	9,304	6,053	1,895	283							
2019	11,784	10,089	6,599								
2020	17,888	14,708									
2021	30,000										

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	3,760	7,321	6,787	1,326	-	1,796	-	-	-	201	-
2012	13,272	20,227	2,446	7,867	2,545	244	-	-	-	-	
2013	20,772	15,251	1,865	882	1,802	-	-	-	-		
2014	14,332	10,053	2,442	238	-	34	-	-			
2015	10,660	22,295	3,899	-	-	-	-				
2016	25,255	22,558	6,306	2,408	-	-					
2017	8,886	7,391	60	-	293						
2018	13,588	7,904	2,192	283							
2019	15,386	11,666	6,599								
2020	20,684	14,708									
2021	30,000										

Projected Inflation Adjusted Chain Ladder Table

Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	3,760	11,081	17,868	19,194	19,194	20,990	20,990	20,990	20,990	21,191	21,191
2012	13,272	33,500	35,946	43,813	46,358	46,602	46,602	46,602	46,602	46,602	46,602
2013	20,772	36,023	37,887	38,770	40,572	40,572	40,572	40,572	40,572	40,572	40,572
2014	14,332	24,385	26,828	27,065	27,065	27,099	27,099	27,099	27,099	27,099	27,099
2015	10,660	32,956	36,855	36,855	36,855	36,855	36,855	37,015	37,015	37,015	37,015
2016	25,255	47,813	54,119	56,526	56,526	56,526	57,071	57,319	57,319	57,319	57,319
2017	8,886	16,277	16,337	16,337	16,630	16,970	17,133	17,208	17,208	17,208	17,208
2018	13,588	21,492	23,684	23,966	24,508	25,010	25,250	25,360	25,360	25,360	25,360
2019	15,386	27,052	33,651	35,529	36,332	37,076	37,433	37,595	37,595	37,595	37,595
2020	20,684	35,393	41,094	43,388	44,369	45,277	45,713	45,911	45,911	45,911	45,911
2021	30,000	63,922	74,219	78,362	80,133	81,773	82,560	82,919	82,919	82,919	82,919

Basic chain ladder method - workmen compensation

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	19,029	48,146	21,668	5,129	-	1,318	491	745	-	-	-
2012	10,143	29,463	9,200	1,055	-	-	-	-	-	-	
2013	15,137	16,189	9,706	4,384	149	-	-	602	521		
2014	33,154	22,427	7,140	2,785	4,312	-	-	-			
2015	21,469	24,898	5,308	-	-	5,340	-				
2016	13,711	24,361	1,261	1,152	-	2					
2017	18,000	22,351	3,183	2,794	512						
2018	16,873	16,416	2,926	273							
2019	22,825	21,059	10,183								
2020	11,129	27,859									
2021	17,863										

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	60,692	137,105	57,133	12,487	-	2,471	797	1,088	-	-	-
2012	28,884	77,686	22,400	2,344	-	-	-	-	-	-	
2013	39,913	39,414	21,561	8,221	242	-	-	696	521		
2014	80,720	49,821	13,387	4,525	6,297	-	-	-			
2015	47,692	46,681	8,626	-	-	6,175	-				
2016	25,706	39,590	1,842	1,504	-	2					
2017	29,253	32,642	4,156	3,231	512						
2018	24,642	21,434	3,383	273							
2019	29,803	24,350	10,183								
2020	12,869	27,859									
2021	17,863										

Projected Inflation Adjusted Chain Ladder Table

Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	60,692	197,797	254,930	267,417	267,417	269,888	270,686	**271,773**	271,773	271,773	271,773
2012	28,884	106,570	128,970	131,313	131,313	131,313	131,313	**131,313**	131,313	131,313	131,313
2013	39,913	79,327	100,888	109,108	109,350	109,350	109,350	**110,046**	110,567	110,567	110,567
2014	80,720	130,541	143,928	148,454	154,751	154,751	154,751	**154,751**	154,751	154,751	154,751
2015	47,692	94,374	102,999	102,999	102,999	109,174	109,174	**109,438**	109,438	109,438	109,438
2016	25,706	65,297	67,139	68,642	68,642	68,645	68,980	**69,147**	69,147	69,147	69,147
2017	29,253	61,895	66,051	69,282	69,794	70,421	70,766	**70,937**	70,937	70,937	70,937
2018	24,642	46,077	49,460	49,733	50,728	51,184	51,434	**51,558**	51,558	51,558	51,558
2019	29,803	54,153	64,336	66,688	68,022	68,633	68,969	**69,136**	69,136	69,136	69,136
2020	12,869	40,728	47,085	48,807	49,783	50,230	50,476	**50,598**	50,598	50,598	50,598
2021	17,863	41,846	48,378	50,147	51,150	51,610	51,862	**51,987**	51,987	51,987	51,987

Basic chain ladder method - marine

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	47,861	12,819	835	19,462	89	13,713	-	-	577	-	-
2012	34,699	60,006	26,838	20,409	3,127	-	-	-	-	3,291	
2013	84,356	68,150	18,402	1,247	2,030	20	-	-	576		
2014	68,187	42,366	12,928	1,483	4,438	5,528	-	-			
2015	69,435	88,165	10,780	2,147	120	3,495	-				
2016	60,926	49,316	19,007	23,565	101	-					
2017	94,807	105,888	1,987	6,293	541						
2018	61,980	53,932	3,559	24,093							
2019	75,244	80,465	14,134								
2020	41,882	99,602									
2021	56,489										

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	152,649	36,505	2,202	47,384	198	25,711	-	-	754	-	-
2012	98,813	158,222	65,342	45,337	5,863	-	-	-	-	3,291	
2013	222,427	165,924	40,879	2,338	3,299	29	-	-	576		
2014	166,014	94,113	24,239	2,410	6,481	7,218	-	-			
2015	154,245	165,304	17,519	3,136	156	4,042	-				
2016	114,233	80,146	27,758	30,769	116						
2017	154,076	154,641	2,595	7,276	541						
2018	90,517	70,419	4,115	24,093							
2019	98,245	93,042	14,134								
2020	48,428	99,602									
2021	56,489										

Projected Inflation Adjusted Chain Ladder Table

Cumulative Chain ladder-Yearly Projections (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2011	152,649	189,154	191,356	238,740	238,937	264,648	264,648	264,648	265,402	265,402	**265,402**
2012	98,813	257,034	322,376	367,714	373,576	373,576	373,576	373,576	373,576	376,867	**376,867**
2013	222,427	388,351	429,230	431,568	434,867	434,896	434,896	434,896	435,472	435,472	**435,472**
2014	166,014	260,127	284,366	286,776	293,258	300,476	300,476	300,476	300,476	300,476	**300,476**
2015	154,245	319,549	337,068	340,204	340,360	344,401	344,401	344,401	344,401	344,401	**344,401**
2016	114,233	194,379	222,137	252,906	253,023	253,023	253,023	253,023	253,023	253,023	**253,023**
2017	154,076	308,717	311,312	318,588	319,128	325,234	325,234	325,234	325,234	325,234	**325,234**
2018	90,517	160,935	165,050	189,144	197,754	201,538	201,538	201,538	201,538	201,538	**201,538**
2019	98,245	191,287	205,422	220,195	230,220	234,624	234,624	234,624	234,624	234,624	**234,624**
2020	48,428	148,030	160,996	172,574	180,430	183,882	183,882	183,882	183,882	183,882	**183,882**
2021	56,489	103,772	112,861	120,978	126,485	128,905	128,905	128,905	128,905	128,905	**128,905**

Basic chain ladder method - Special Oil
Expected Loss Ratio - Special Oil

Accident Year	Gross Earned Premium	Claims Paid Till Date (N'000)	Total O/S as at 31 Dec 2021 (N'000)	Current Incurred (N'000)	Current Loss Ratio (N'000)	Ultimate Loss Ratio (N'000)	Ultimate Losses (N'000)	Outstanding Claim Reserves (N'000)
2011	2,099,398	306,978	1	306,979	15%	15%	306,979	-
2012	3,077,246	930,888	9	930,896	30%	30%	930,896	-
2013	1,743,435	123,051	45	123,096	7%	7%	123,096	-
2014	1,714,798	57,175	168	57,343	3%	3%	57,343	168
2015	1,885,938	215,672	998	216,670	11%	11%	216,670	998
2016	1,138,129	255,760	125,369	381,129	33%	33%	381,129	125,369
2017	1,347,236	1,342,939	5,083	1,348,023	100%	101%	1,359,918	16,979
2018	1,707,782	337,235	94,014	431,250	25%	28%	473,707	136,471
2019	2,237,838	417,795	150,480	568,275	25%	30%	682,364	264,569
2020	2,853,122	271,577	713,810	985,387	35%	40%	1,128,043	856,466
2021	4,045,591	169	260,963	261,131	6%	25%	1,011,398	1,011,229

Expected Loss Ratio - Agriculture

Accident Year	Gross Earned Premium	Claims Paid Till Date (N'000)	Total O/S as at 31 Dec 2021 (N'000)	Current Incurred (N'000)	Current Loss Ratio (N'000)	Ultimate Loss Ratio (N'000)	Ultimate Losses (N'000)	Outstanding Claim Reserves (N'000)
2019	88,822	40,159	0	40,159	45%	45%	40,159	-
2020	122,752	114,634	0	114,634	93%	103%	126,909	12,275
2021	121,734	66,158	42,699	108,857	89%	99%	121,031	54,873

41(a) PRA Regulated Annuity Fund

The Company had 11,132 PRA regulated annuity policies (2020: 10,712) as at 31 December 2021 with annual annuity payment of ₦6,373,982,403 (2020: ₦6,186,227,387.25)

We have valued each annuity policy adopting IFRS 4 requirements in estimating the present value (at the review date) of the Company's future annuity payment obligations. Each annuity policy has been valued using a monthly discounted cash flow method and the reserves are set equal to the present value of future annuity payments and attending expenses. We have recognised the 10 year annuity guaranteed minimum payment period in our calculations.

The valuation interest rate is based on current risk free yields with adjustments. This is in line with the requirements of IFRS 4 (paragraph 24). The use of a risk free rate also implies that future investment margins in excess of the risk free return will not be capitalised upon, which satisfies paragraph 27 of IFRS 4. Furthermore, the result is a 'fair value' liability calculation which aids the comparability of accounts between insurers.

We illustrate below the movement of the annuity portfolio in 2021:
:

	Number of annuity policies	Annual Annuity (₦)	Number of annuity policies	Annual Annuity (₦)
	Dec-2021		Dec-2020	
Opening as at 1 January	10,712	6,186,227,387	9,918	5,639,948,969
· New Entrants	541	254,677,660	866	586,484,098
· Deaths	(121)	(66,922,644)	(72)	(40,205,680)
As at 31 December	11,132	6,373,982,403	10,712	6,186,227,387

Mortality assumptions

We have assumed the following sample average expectation of life in line with the PA(90) UK published tables (as adjusted in line with the internal experience):

	Expectation of Life (in years)	
Age	**Male**	**Female**
50	29	34
60	21	25
70	14	17
80	8	10

PENCOM REGULATED ANNUITY
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

Bonds

Description	Maturity Date	Coupon Rate	Amortized Cost
16.2499% APR 2037	18-Apr-37	16.2499%	8,344,794,456
12.4% FGN MAR 2036	18-Mar-36	12.4000%	8,657,545,867
14.80% FGN APR 2049	26-Apr-49	14.8000%	4,981,701,162
13.98% FGN FEB 2028	23-Feb-28	13.9800%	1,044,238,195
12.1493% FGN JUL 34	18-Jul-34	12.1493%	4,022,343,479
			27,050,623,159

Description	Maturity Date	Coupon Rate	Fair value
14.80% FGN APR 2049	26-Apr-49	14.8000%	17,892,209,052
16.2884% FGN MAR 27	17-Mar-27	16.2884%	192,596,757
			18,084,805,808
Total Assets			**45,135,428,967**
Liabilities - Annuity Reserves			**43,785,472,440**

Other National Disclosures

Value Added Statement

In thousands of Naira	Group December 2021	%	Group December 2020	Rent %	Company December 2021	%	Company December 2020	%
Gross Premium Written:								
Local	71,646,427		61,979,667		71,001,519		61,318,398	
Investment and other income	(16,577,034)		52,508,374		(18,119,608)		50,650,982	
	55,069,393		**114,488,040**		**52,881,911**		**111,969,379**	
Impairment reversal/ (charge) on financial assets	34,272		(36,971)		11,100		31,114	
	55,103,665		**114,451,069**		**52,893,011**		**112,000,493**	
Bought in materials and services:								
Local	(42,910,669)		(101,216,071)		(41,511,437)		(102,000,921)	
Foreign	(2,917,055)		(1,759,347)		(2,917,055)		(1,759,347)	
Value Added	**9,275,942**	**100**	**11,475,650**	**100**	**8,464,519**	**100**	**8,240,225**	**100**
Distribution								
Employees								
Salaries and other employees benefits	3,524,470	38	3,917,598	34	2,844,463	34	3,217,429	39
Government								
Income tax	257,905	3	(348,262)	(3)	120,548	1	(388,870)	(5)
Providers of finance								
Finance cost	-	-	2,110,819	18	-	-	96,743	1
Retained in the Group								
Replacement of property and equipment	610,046	7	636,261	6	506,718	6	482,747	6
Replacement of intangible assets	30,236	0	98,114	1	24,126	0	67,580	1
Contingency reserve	1,091,009	12	893,185	8	1,091,009	13	893,184	11
Retained profits for the year	3,762,275	41	4,167,935	36	3,877,655	46	3,871,411	47
Value Added	**9,275,942**	**100**	**11,475,650**	**100**	**8,464,519**	**100**	**8,240,225**	**100**

Five-year Financial Summary - Group

In thousands of Naira	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Assets					
Cash and cash equivalents	25,490,105	31,913,335	10,080,164	5,324,739	5,199,386
Financial assets	172,501,020	188,342,047	126,827,073	89,240,430	73,635,612
Trade receivables	728,518	937,078	386,749	417,102	301,172
Reinsurance assets	10,387,924	7,496,395	5,460,569	4,686,029	3,644,489
Deferred acquisition costs	739,223	582,265	488,884	465,991	334,934
Other receivables and prepayments	2,411,790	2,426,871	6,227,700	580,618	454,902
Deferred tax assets	1,252	6,168	149,379	149,379	157,008
Investment in associate	705,629	-	-	-	-
Investment property	806,000	758,000	772,000	555,000	581,999
Goodwill and other intangible assets	934,748	889,082	985,862	1,014,085	1,060,451
Property and equipment	7,068,787	7,009,404	7,597,843	7,025,197	6,513,175
Statutory deposits	500,000	500,000	500,000	530,000	530,000
Assets classified as held for sale	-	2,237,780	-	-	-
Right use of assets	105,855	-	-	-	-
Total assets	**222,380,849**	**243,098,424**	**159,476,221**	**109,988,570**	**92,413,128**
Liabilities					
Insurance contract liabilities	119,776,331	136,078,388	84,986,351	65,540,532	59,959,751
Investment contract liabilities	22,829,871	21,835,376	16,201,367	12,319,617	10,909,624
Trade payables	3,779,049	2,020,724	1,839,238	1,013,475	1,721,918
Other payables and accruals	3,700,219	4,774,609	3,650,286	2,213,547	1,325,766
Fixed income liabilities	33,506,178	43,046,848	20,143,047	10,181,251	3,981,591
Current income tax payable	407,282	358,099	487,112	590,976	826,643
Deferred tax liabilities	7,666	8,837	629,282	533,836	547,017
Long term borrowing	-	-	2,629,477	2,324,733	2,182,290
Liabilities attributable to assets held for sale	-	316,462	-	-	-
Total liabilities	**184,006,596**	**208,439,343**	**130,566,160**	**94,717,968**	**81,454,600**
Net assets	**38,374,255**	**34,659,081**	**28,910,063**	**15,270,602**	**10,958,528**
Equity					
Issued share capital	18,302,638	7,843,988	3,465,102	3,465,102	3,465,102
Share premium	64,745	7,037,181	2,824,389	2,824,389	2,824,389
Revaluation reserves	1,812,707	1,812,707	1,812,707	1,802,662	1,802,662
Available-for-sale reserve	-	-	-	-	(13,072,413)
Fair value reserve	(1,683,037)	(507,416)	1,995,336	(1,143,847)	-
Foreign exchange gains reserve	175,600	175,600	159,677	147,443	145,640
Statutory reserve		-	167,874	143,882	116,458
Contingency reserve	8,304,604	7,213,594	6,320,410	5,807,411	5,182,190
Retained earnings	11,051,695	9,924,143	5,888,970	1,479,002	10,083,426
Deposit for shares	-	-	5,280,000	-	-
Statutory reserves of disposal assets classified as held for sale	-	202,042			
Shareholders' fund	**38,028,952**	**33,701,838**	**27,914,464**	**14,526,043**	**10,547,455**
Non-controlling interests	345,303	957,243	995,599	744,559	411,073
Total equity	**38,374,255**	**34,659,081**	**28,910,063**	**15,270,602**	**10,958,528**

In thousands of Naira	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Gross premium written	71,646,427	61,979,667	50,138,467	32,097,692	27,064,365
Gross premium income	70,655,049	60,680,800	50,008,831	31,741,609	30,029,334
Net premium income	58,521,828	52,779,760	43,776,021	27,950,778	26,687,570
Other revenue	(13,995,285)	20,586,159	27,028,649	17,551,744	10,124,386
Total revenue	44,526,543	46,373,776	70,804,670	45,502,522	36,811,956
Net benefits and claims	(39,914,664)	(31,656,713)	25,380,608	(20,774,186)	(13,096,190)
Other expenses	(21,146,336)	42,549,053	13,282,873	(21,687,847)	(11,880,530)
Total benefits, claims and other expenses	(61,060,999)	10,892,340	38,663,481	(42,462,033)	(24,976,720)
Profit before income tax expense	2,807,000	4,632,074	5,987,764	3,040,489	11,835,236
Profit after tax	4,916,009	5,249,825	5,912,858	10,238,411	1,195,606
Other comprehensive (loss)/ income net of tax	(1,332,802)	(2,701,346)	2,863,291	(10,893,465)	(3,156,986)
Total comprehensive income/(loss), for the year	**3,583,207**	**2,548,480**	**8,776,149**	**(655,054)**	**(1,961,380)**
Basic earnings per share (kobo)	13	14	83	18	147
Diluted earnings per share (kobo)	13	14	83	13	105

Five-year Financial Summary - Company

In thousands of Naira	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Assets					
Cash and cash equivalents	9,062,962	9,279,385	8,166,352	4,519,953	3,949,642
Financial assets	152,718,223	166,074,396	103,414,529	76,757,634	67,970,438
Trade receivables	689,375	897,596	303,106	131,841	59,106
Reinsurance assets	10,387,924	7,496,395	5,460,569	4,686,029	3,644,489
Deferred acquisition costs	739,223	582,265	488,884	465,991	334,935
Other receivables and prepayments	2,140,480	726,262	5,762,765	408,428	391,384
Investment in subsidiaries	1,087,317	1,087,317	2,452,359	2,452,359	2,308,690
Investment in associate	705,691	-	771,999.56	555,000	582,000
Investment property	806,000	758,000	906,680	965,905	1,032,242
Goodwill and other intangible assets	838,252	862,379	7,036,211	6,697,108	6,220,962
Property and equipment	6,847,439	6,705,570	500,000	530,000	530,000
Statutory deposits	500,000	500,000	-	-	-
Assets classified as held for sale	-	1,365,042	-	-	-
Total Assets	**186,522,886**	**196,312,621**	**135,263,455**	**98,170,248**	**87,023,888**
Liabilities					
Insurance contract liabilities	119,565,299	135,856,973	84,766,122	65,341,550	59,766,360
Investment contract liabilities	22,829,871	21,835,376	16,201,367	12,319,617	10,909,624
Trade payables	3,748,134	1,963,893	1,512,394	839,400	1,711,219
Other payables and accruals	3,394,547	3,892,160	3,406,751	2,002,558	1,187,975
Current income tax payable	307,392	307,621	361,505	507,241	426,920
Deferred tax liabilities	-	-	441,416	487,836	517,268
Finance lease obligation	-	-	-	-	-
Long term borrowing	-	-	2,629,477	2,324,733	2,182,289
Derivative liabilities	-	-	-	-	-
Total liabilities	**149,845,243**	**163,856,023**	**109,319,031**	**83,822,935**	**76,701,655**
Net Assets	**36,783,498**	**32,478,585**	**25,944,424**	**14,347,313**	**10,322,233**
Equity					
Issued share capital	18,302,638	7,843,988	3,465,102	3,465,102	3,465,102
Share premium	64,745	7,037,181	2,824,389	2,824,389	2,824,389
Revaluation reserve	1,812,707	1,812,707	1,812,707	1,802,662	1,802,662
Available-for-sale reserve	-	-	-	-	(13,092,408)
Fair value reserve	(1,016,727)	(438,588)	828,179	(952,902)	
Foreign exchange gain reserve	175,600	175,600	159,677	147,443	145,640
Contingency reserve	8,304,604	7,213,594	6,320,410	5,807,411	5,182,190
Retained earnings	9,139,931	8,834,102	5,253,959	1,253,208	9,994,656
Deposit for shares	-	-	5,280,000	-	-
Shareholders' fund	**36,783,498**	**32,478,585**	**25,944,424**	**14,347,313**	**10,322,233**

In thousands of Naira	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Gross premium written	71,001,519	61,318,398	49,440,231	37,002,279	30,407,396
Gross premium income	70,009,673	60,038,913	49,376,338	36,441,690	30,143,348
Net premium income	57,876,452	52,137,873	43,143,528	31,260,465	26,352,517
Other revenue	(15,834,927)	52,207,519	24,978,643	9,988,889	15,932,337
Total revenue	42,041,525	104,345,392	68,122,171	41,249,354	42,284,854
Net benefits and claims	39,397,775	31,211,819	24,923,539	(23,355,837)	(19,284,986)
Other expenses	(20,040,972)	44,671,272	14,601,465	(13,593,853)	(18,815,671)
Total benefits, claims and other expenses	19,356,803	75,883,091	39,525,004	(36,949,690)	(38,100,657)
Profit before income tax	2,081,778	4,375,725	5,223,956	2,966,516	2,924,825
Profit after income tax	1,961,230	4,764,595	5,157,260	2,604,412	1,471,254
Other comprehensive (loss)/ income, net of tax	(663,750)	(1,542,113)	1,575,663	(186,429)	1,056,640
Total comprehensive (loss)/ income for the year	4,304,914	3,222,482	6,732,923	2,417,983	2,527,894
Basic earnings per share (kobo)	14	13	74	38	21
Diluted earnings per share (kobo)	14	13	74	30	16

Revenue Account of General Business

In thousands of naira	Fire	Motor	Casualty	Employer's liability	Marine	Personal accident	Special oil	Agriculture	Total December-21	Total December-20
Income										
Direct premium	3,750,068	2,583,057	3,110,408	194,654	3,993,511	844,055	4,310,751	107,057	18,893,560	13,798,031
Inward premium	25,089	18,041	56,864	1,119	13,796	2,283	36,803	2,153	156,150	201,982
Gross written premium	3,775,157	2,601,098	3,167,273	195,773	4,007,307	846,338	4,347,554	109,210	19,049,710	14,000,013
Changes in unexpired risk premium	(257,912)	(108,114)	(173,641)	3,713	189,287	(121,974)	(301,964)	12,524	(758,081)	(634,468)
Gross premium income	3,517,245	2,492,984	2,993,631	199,486	4,196,594	724,364	4,045,591	121,734	18,291,629	13,365,545
Reinsurance cost	(2,805,857)	(301,807)	(2,110,279)	(80,233)	(2,497,310)	(145,365)	(2,381,090)	(86,928)	(10,408,869)	(6,932,770)
Net premium income	711,388	2,191,177	883,353	119,253	1,699,284	578,999	1,664,500	34,806	7,882,760	6,432,775
Commission received	603,162	71,136	594,525	27,958	419,497	51,389	8,968	12,541	1,789,176	1,323,398
Total underwriting income	**1,314,550**	**2,262,313**	**1,477,878**	**147,211**	**2,118,781**	**630,389**	**1,673,468**	**47,347**	**9,671,935**	**7,756,172**
Expense										
Claims	2,806,740	1,213,267	2,140,924	73,582	940,721	60,570	214,150	150,434	7,600,388	11,311,452
Increase/(decrease) in claims incurred but not reported (IBNR)	381,293	1,500	(209,520)	(8,608)	182,696	38,709	498,590	11,108	895,768	435,746
Gross claims incurred	3,188,033	1,214,767	1,931,405	64,974	1,123,417	99,279	712,740	161,543	8,496,157	11,747,198
Reinsurance claims recoveries	(1,984,241)	(438,696)	(1,249,965)	(25,419)	(746,254)	(41,091)	(121,506)	(95,441)	(4,702,613)	(7,781,439)
Net claims incurred	**1,203,792**	**776,071**	**681,440**	**39,555**	**377,162**	**58,187**	**591,234**	**66,102**	**3,793,544**	**3,965,759**
Commission	632,090	263,627	534,242	36,458	553,931	145,290	730,495	6,977	2,903,109	2,136,014
Maintenance costs	188,113	218,853	277,808	26,731	171,676	278,483	304,262	15,833	1,481,759	547,598
Total underwriting expenses	2,023,995	1,258,551	1,493,490	102,744	1,102,769	481,960	1,625,991	88,912	8,178,412	6,649,372
UNDERWRITING (LOSS)/ PROFIT	**(709,445)**	**1,003,761**	**(15,612)**	**44,466**	**1,016,012**	**148,429**	**47,477**	**(41,565)**	**1,493,524**	**1,106,800**

Revenue Account of Life Business

In thousands of naira	Ordinary life	Annuity	Group life	Total December 2021	Total December 2020
Income					
Gross premium written	43,699,447	2,218,860	6,033,502	51,951,809	47,318,384
Changes in unearned premium	-	-	(233,765)	(233,765)	(645,017)
Gross premium income	43,699,447	2,218,860	5,799,738	51,718,044	46,673,367
Less: Reinsurance costs	(174,166)	-	(1,550,186)	(1,724,352)	(968,270)
Net premium income	43,525,281	2,218,860	4,249,551	49,993,692	45,705,097
Commission received	52,338	-	443,168	495,505	233,140
Total underwriting income	43,577,619	2,218,860	4,692,719	50,489,198	45,938,237
Expenses					
Death claims	476,195	227,573	5,703,104	6,406,872	2,429,202
Withdrawals	461,668	6,249,128	-	6,710,796	6,335,066
Maturity	19,875,282	-	-	19,875,282	14,510,758
Surrender	5,445,786	-	-	5,445,786	3,751,311
Increase in outstanding claims	139,253	-	(264,643)	(125,390)	528,082
Gross claims incurred	26,398,184	6,476,701	5,438,460	38,313,345	27,554,419
Reinsurance recoveries	(50,000.00)	-	(2,659,114)	(2,709,114)	(308,359)
Net claims incurred	26,348,184	6,476,701	2,779,347	35,604,231	27,246,061
Underwriting expenses:					
Acquisition	3,983,008	72,230	508,355	4,563,594	4,170,375
Maintenance	365,002	1,583	1,212,495	1,579,080	879,618
Change in life and annuity fund	(7,741,491)	(11,993,313)	-	(19,734,803)	51,583,164
Total underwriting expenses	22,954,704	(5,442,799)	4,500,197	22,012,100	83,879,219
Underwriting (Loss)/Profit	20,622,915	7,661,659	192,523	28,477,097	(37,940,980)

Electronic Delivery Mandate Form

For The Year Ended 31 December 2021

Dear Sir/Madam

To enable you receive your Annual Report promptly, our company wishes to introduce electronic delivery of Annual Report and Accounts, Proxy Form and other statutory documents to shareholders.

With this service, instead of receiving the hard copy of our Annual Report and other corporate documents in the future, you can elect to receive a soft copy of the Annual Report, Proxy Form, etc, through the electronic link to be forwarded to your email address.

Please complete this self addressed form to capture your preference and return the completed form to:

The Managing Director
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street
Off Bishop Oluwole Street
Victoria Island
Lagos

Or any of their branch offices nationwide

DONALD KANU
Company Secretary

I,...

OF...

HEREBY AGREE TO THE ELECTRONIC DELIVERY OF ANNUAL REPORT, PROXY FORM, PROSPECTUS, NEWSLETTER AND STATUTORY DOCUMENTS OF AIICO INSURANCE PLC TO ME THROUGH:

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MY EMAIL ADDRESS:...

DESCRIPTION OF SERVICE

By enrolling in electronic delivery service, you have agreed to receive future announcements/shareholder communication materials stated above by Email/Internet Address (URL). These materials can be made available to you electronically either semi annual or annually. Annual Report, Proxy Form, Prospectus and Newsletter are examples of shareholder communication that can be made available to you electronically. The subscription enrolment will be effective for all your holdings in AIICO INSURANCE PLC on an ongoing basis unless you change or cancel your enrolment.

This initiative is in line with our determination to help protect and sustain our planet's environment and the consolidated SEC Rule 128 (6) of September 2011 which states that A Registrar of a public company may dispatch Annual Reports and Notices of General Meetings to shareholders by electronic means.

....

Name (Surname First) Signature and Date

Affix N50.00
Poster Stamp
Here

The Managing Director
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street,
Off Bishop Oluwole Street,
Victoria Island,
Lagos.

Coronation Registrars Limited

In a bid to meet the expectations of our customers, Coronation Registrars Limited has a standardized Complaints Management Framework to cater for prompt resolution of complaints.
Our aim of satisfying and delighting our stakeholders is critical to our business model where we view complaints as an opportunity to improve on our service delivery.

To this end, it is of utmost importance that our customers know how to communicate their complaints for prompt and satisfactory resolution.

BENEFITS OF COMPLAINTS MANAGEMENT PROCESS

- Achieve operational efficiency to identify trends and causes of complaints
- Resolve more complaints by adopting a more customer-focused approach
- Monitor and continually improve our complaints handling process

For complaints resolution relating to AIICO Insurance Plc shares, the under-listed channels may be explored.

Website:	www.coronationregistrars.com To view our Frequently Asked Questions (FAQ)
E-Mail:	info@coronationregistrars.com
Phone No:	+234 (1) 271 4566, +234 (1) 271 4567
Visit our Office:	Plot 009, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island Lagos.

Coronation Registrars Limited is assuring our esteemed customers of a valued experience as Shareholders in AIICO Insurance PLC.

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Application Form
For E-bonus and E-dividend

Dear Shareholder(s)

Shareholder's Data Update

In our quest to update shareholders data with the current technology in the capital market (i.e. e-bouns and e-dividend), we request you to complete this form with the following information:

Name Of Shareholder/corporate Shareholder And Current Address	REGISTRARS' USE

NAME OF COMPANY IN WHICH YOU HAVE SHARES
AIICO Insurance Plc.

Please notify our Registrars, Coronation Registrars Limited of any change in telephone, address and bank whenever it occurs.

Yours faithfully,
AIICO INSURANCE PLC

DONALD KANU
Company Secretary

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

In case of Corporate Shareholder, use Company seal

Note: **Please be informed that by filling and sending this to our Registrars, Coronation Registrars Limited, for processing, you have applied for the e-dividend and e-bonus; Thereby, authorizing AIICO Insurance Plc to credit your account (in respect of dividends and bonuses electronically.)

PLEASE COMPLETE AND RETURN TO:
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street, Off Bishop OLuwole Street
Victoria Island, Lagos.

Affix N50.00
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Here

The Managing Director
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street,
Off Bishop Oluwole Street,
Victoria Island,
Lagos.

Proxy Form

The 52nd Annual General Meeting ("Meeting") of AIICO Insurance Plc (the "Company") will be held on Friday, May 27, 2022 at Radisson Blu Hotel, 38-40 Isaac John Street, Ikeja, Lagos State at 12.00pm.

I/We...

Being a member/members of AIICO Insurance Plc hereby appoint*

....

Or failing him the Chairman of the Company as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, May 27, 2022 and at any adjournment thereof.

Dated this...............................Day of.....................................2022

Shareholder's Signature...

*Delete as necessary

(i) A member (Shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All proxy forms should be deposited at the Company Secretary's Office not later than 48 hours before the time of holding the meeting.

(ii) In the case of joint Shareholders, any of such may complete the form, but names of all joint Shareholders must be stated.

(iii) If the Shareholder is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized.

(iv) Provision has been made on this form for the Chairman of the Company to act as proxy, but if you wish, you may insert in the blank space on the form (marked**) the name of any person whether a Member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman.

(v) The Stamp Duties Act, Cap 411, Laws of the Federation of Nigeria, 1990 requires that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of Shareholders must bear a Stamp Duty of three (3) kobo.

(vi) The proxy must produce the Admission Slip sent with the Notice of Meeting to obtain entrance to the Meeting

....ADMISSION SLIP..

AIICO INSURANCE PLC

Please admit...to the Annual General Meeting of AIICO Insurance Plc which will be held at will be held on Friday, May 27, 2022 at Radisson Blu Hotel, 38-40 Isaac John Street, Ikeja, Lagos State at 12.00pm. The Admission Slip must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

Donald Kanu
Company Secretary

Name & Address of Shareholder..

Number of Shareholders

....

	Resolutions	For	Against
1.	To lay before the Meeting the report of the Directors, Statement of Financial Position as at December 31, 2021 together with the Statement of Profit or Loss and Other Comprehensive Income for the year ended on that date and the reports of the Auditors and the Audit Committee thereon.		
2.	To declare "a dividend of 2 kobo per share amounting to N732,105,520.00 [subject to withholding tax] be and is hereby declared in respect of and out of the profit after taxation for the year ended 31st December 2021, payable to those shareholders whose names appear on the Register of members at the close of business on the 20th May 2022.		
3.	To re-elect directors retiring by rotation.		
4.	To authorize the directors to fix the remuneration of the auditors.		
5.	To disclose the remuneration of Managers		
6.	To elect members of the Statutory Audit Committee.		
Special Business			
7.	To consider and if thought fit pass the following as Special Resolution.		

(I) That the shareholders hereby approve, subject to all regulatory compliance, the cancellation of the total outstanding shares of 994,723,988 of 50k each remaining un - issued in the capital of the company out of the authorized shares standing at 37,600,000,000 in line with extant laws.

(ii) The authorized and issued share capital of the company is 36,605,276,012 (thirty-six billion, six hundred and five million, two hundred and seventy-six thousand and twelve) ordinary shares of 50 kobo each.

(iii) The Memorandum of association of the company be amended by the insertion of the following at the end of paragraph 5 of the memorandum of company:

"By a Special Resolution of the Company passed at the Annual General Meeting of the Company held on the 27th day of May 2022, the authorised share capital of the company is 36,605,276,012 (thirty-six billion, six hundred and five million, two hundred and seventy-six thousand and twelve) ordinary shares of 50 kobo each".

(iv) That the Board be and is hereby authorized to take all necessary steps to give effect to the resolutions

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The Managing Director
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street,
Off Bishop Oluwole Street,
Victoria Island,
Lagos.

Unclaimed Dividends And Share Certificates

For The Year Ended 31 December 2021

AIICO had declared the following dividends and made public issues including bonuses since it became a public company in July 1989

DIVIDEND No.	DATE
01	November 15, 1990
02	November 20, 1991
03	August 23, 1993
04	October 17, 1994
05	May 29, 1995
06	October 5, 1998
07	September 20, 2001
08	August 18, 2003
09	September 8, 2004
10	October 25, 2010
11	July 27, 2011
12	July 2, 2012
13	September 18, 2013
14	May 06, 2016
15	May 19, 2017
16	May 25, 2018
17	May 20, 2019

ISSUES
Allotment '90
Rights '93
Bonus '95
Bonus '96
Bonus '97
Bonus 2001
Bonus 2003
Rights 2003
Bonus 2005
Public offer 2005
Rights 2005
Bonus 2006
Public offer 2007
Bonus 2008
Private placement 2020
Right Issue 2020
Bonus 2021

According to our record, some unpaid dividend warrants have not been returned to the company for revalidation and subsequent payment.

Affected AIICO shareholders are hereby requested to contact the following address for collection of their dividend warrants or/and certificates yet unclaimed.

For dividend warrants and share certificates, please contact:

The Registrar
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street
Off Bishop Oluwole Street
Victoria Island
Lagos.

Share Capital History

For The Year Ended 31 December 2021

1	AUTHORIZED SHARE CAPITAL		2	PAID UP SHARE CAPITAL		OUTSTANDING SHARES	PRIVATE PLACEMENT	BONUS ISSUE		RIGHTS ISSUE	SCHEME SHARES	FREE FLOAT POSITION
DATE	N	VOLUME		Paid up share capital issued, subscribed and paid up by shareholders in monetary terms (VOLUME)	Paid up share capital issued, subscribed and paid up by shareholders in monetary terms (N)	The volume of outstanding shares issued and fully paid up	Private placement from date of listing	Bonus issue from date of listing	Bonus issue from date of listing	Rights Issue of the Company from the date of listing	Scheme Shares issued to members of a scheme of arrangement in exchange for value/shares which they lost/gave up in the scheme of arrangement from date of listing	Usually expressed in % of the issued shares of a particular quoted company that is tradable at any point in time
1970	100,000	200,000		114,608	57,304.00	114,608				1993 RIGHTS ISSUE		N/A
1976	300,000	600,000		903,032	451,516.00	903,032						
1977	1,000,000	2,000,000		2,400,000	1,200,000.00	2,400,000						
1987	1,000,000	2,000,000		4,000,000	2,000,000.00	4,000,000						
1989	5,000,000	10,000,000		8,000,000	4,000,000.00	8,000,000						
1993	12,500,000	25,000,000		20,000,000	10,000,000.00	20,000,000		BONUS 93				
1994	50,000,000	100,000,000		40,000,000	20,000,000.00	40,000,000		Bonus '94				
1995	50,000,000	100,000,000		60,000,000	30,000,000.00	60,000,000		Bonus '95				
1996	50,000,000	100,000,000		100,000,000	50,000,000.00	100,000,000		'96 BONUS				
1997	100,000,000	200,000,000		200,000,000	100,000,000.00	200,000,000						
2002	250,000,000	500,000,000		300,000,000	150,000,000.00	300,000,000		BONUS 2002	1 FOR 2			
2003	250,000,000	500,000,000		700,000,000	350,000,000.00	700,000,000		BONUS 2003	1 FOR 3			
2004	500,000,000	1,000,000,000		700,000,000	350,000,000.00	700,000,000						
2005	1,250,000,000	2,500,000,000		1,400,000,000	700,000,000.00	1,400,000,000		BONUS 2005	1 FOR 1	2003 RIGHTS ISSUE		
2006	1,250,000,000	2,500,000,000		2,315,531,103	1,157,765,688.00	2,315,531,103						
2006	1,250,000,000	2,500,000,000		2,665,531,376	1,332,765,688.00	2,665,531,376		BONUS 2006	1 FOR 4	2006 RIGHTS ISSUE		
2007	2,500,000,000	5,000,000,000		2,665,531,103	1,651,629,688.00	2,665,531,103		BONUS 2007	1 FOR 6			
2007	2,500,000,000	5,000,000,000		3,280,843,005	1,873,757,688.00	3,280,843,005		BONUS 2008	1 FOR 4			
2008	5,000,000,000	10,000,000,000		6,504,004,730	3,485,337,688.00	6,504,004,730						
2009	5,000,000,000	10,000,000,000		7,040,163,584	3,520,082 480.00	7,040,163,584					LAMDA/NFI/AIICO MERGER; **536,158,854 UNITS**	
2009	5,000,000,000	10,000,000,000		8,800,204,480	4,400,102,240.00	8,800,204,480						
2010	5,000,000,000	10,000,000,000		8,800,204,480	4,400,102,240.00	8,800,204,480						
2011	5,000,000,000	10,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480					Share Capital Reduction-Internal corporate Restructuring;**1,870,000,000**	
2012	5,000,000,000	10,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480						
2013	5,000,000,000	10,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480						
2014	5,000,000,000	10,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480						
2015	7,500,000,000	15,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480						
2016	7,500,000,000	15,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480						
2017	7,500,000,000	15,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480						
2018	7,500,000,000	15,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480						
2019	18,000,000,000	36,000,000,000		6,930,204,480	3,465,102,240.00	6,930,204,480						
2020	18,000,000,000	36,000,000,000		11,330,204,480	5,665,102,240.00	11,330,204,480						
2020	18,800,000,000	37,600,000,000		15,687,975,434	7,843,987,717.00	15,687,975,434	2020 PRIVATE PLACEMENT			2020 RIGHTS ISSUE		
2021	18,800,000,000	37,600,000,000		15,687,975,434	7,843,987,717.00	15,687,975,434						
2022	18,800,000,000	37,600,000,000		36,605,276,012	18,302,638,006	36,605,276,012		BONUS 2021	12 FOR 9			